

# West Devon Hub Committee



West Devon  
Borough  
Council

<b>Title:</b>	<b>Agenda</b>
<b>Date:</b>	<b>Tuesday, 17th July, 2018</b>
<b>Time:</b>	<b>2.00 pm</b>
<b>Venue:</b>	<b>Chamber - Kilworthy Park</b>
<b>Full Members:</b>	<p style="text-align: center;"><b>Chairman</b> Cllr Sanders <b>Vice Chairman</b> Cllr Samuel</p> <p><i>Members:</i> Cllr Edmonds Cllr Mott Cllr Jory Cllr Leech Cllr Oxborough Cllr Roberts Cllr Sampson</p>
<b>Interests – Declaration and Restriction on Participation:</b>	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.
<b>Committee administrator:</b>	Member.Services@swdevon.gov.uk

**1. Apologies for absence**

**2. 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 Agenda, then please contact the Monitoring Officer in advance of the meeting.

**3. Items Requiring Urgent Attention**

To consider those items which, in the opinion of the Chairman, should be considered by the Meeting as matters of urgency (if any)

**4. Confirmation of Minutes**

**1 - 4**

Minutes of meeting held 5 June 2018

**5. Public Questions**

a period of up to 15 minutes is available to deal with issues raised by the public

**6. Exclusion of Public and Press - to consider the following resolution to exclude the public and press:-**

**PART TWO ITEMS ARE THOSE WHICH MAY BE TAKEN IN THE ABSENCE OF THE PUBLIC AND PRESS ON THE GROUNDS THAT EXEMPT INFORMATION IS LIKELY TO BE DISCLOSED (if any)**

If any, the Committee is recommended to pass the following resolution:

**"RESOLVED** that under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the Meeting on the grounds that exempt information may be disclosed as defined in the paragraphs given in Schedule 12A to the Act."

**7. Waste Procurement - verbal update - Cllr Sampson**

**8. Financial Stability Review Group - Notes - Cllr Jory**

**5 - 6**

<b>9.</b>	<b>Re-admittance of Public and Press</b>	
<b>10.</b>	<b>Medium Term Financial Position 2019/20 - Cllr Sanders</b>	<b>7 - 38</b>
<b>11.</b>	<b>Business Rates - Locally Administered Business Rate Relief Policy - Cllr Oxborough</b>	<b>39 - 48</b>
<b>12.</b>	<b>Homelessness Strategy Action Plan 2018/19 - Cllr Leech</b>	<b>49 - 68</b>
<b>13.</b>	<b>Public Toilet Review - Cllr Sampson</b>	<b>69 - 82</b>
<b>14.</b>	<b>Write Off Report - Cllr Edmonds</b>	<b>83 - 90</b>

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# Agenda Item 4

At a Meeting of the **HUB COMMITTEE** held at the Council Chamber, Council Offices, Kilworthy Park, Drake Road, **TAVISTOCK** on **TUESDAY** the **5<sup>th</sup>** day of **JUNE, 2018** at **2.00pm**

**Present:** Cllr P R Sanders – Chairman  
Cllr L Samuel – Vice Chairman

Cllr C Edmonds	Cllr A F Leech
Cllr C Mott	Cllr R Oxborough
Cllr A Roberts	Cllr R F D Sampson

**In attendance:** Executive Director (Service Delivery and Commercial Development)  
Group Manager Customer First and Support Services  
Section 151 Officer  
Group Manager Business Development  
Group Manager Commercial Services  
Commissioning Manager  
Senior Specialist Affordable Housing  
Specialist Democratic Services

**Other Members in attendance:**  
Cllrs Cann OBE, Lamb, Musgrave and Yelland

**\*HC 1 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Cllr Jory.

**\*HC 2 DECLARATIONS OF INTEREST**

Members were invited to declare any interests in the items of business to be discussed but none were made.

**\*HC 3 MINUTES**

The Minutes of the Hub Committee meeting held on 24 April 2018 were confirmed and signed by the Chairman as a correct record.

**HC 4 COUNCIL OWNED ASSET INVESTMENT AND DEVELOPMENT**

*(Paragraph 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information))*

Members were presented with an exempt report that sought approval for funding to prepare a business case in relation to investment and development opportunities.

The Leader introduced the report.

It was then **RESOLVED** that Council be **RECOMMENDED** to:

1. Approve the expenditure of up to £90,000 in order to prepare a detailed business case for each of the proposed council owned asset investment and development opportunities detailed in section 3 and Appendix 1 of the presented report; and
2. Agree that officers conclude an appropriate procurement process to commission the work required to produce individual business cases for the identified Asset Investment & Development opportunities

**\*HC 5**

**FINANCIAL STABILITY REVIEW GROUP UPDATE**

*(Paragraph 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information))*

In accordance with the Council decision at its meeting on 27 March 2018 (Minute CM 73 refers) for updates to be included as a standing agenda item, the Lead Member for Resources and Performance presented Members with an exempt briefing note that updated the recent work of the Financial Stability Review Group.

**\*HC 6**

**ENABLING HOMES TO MEET THE NEEDS FOR ALL**

Members were presented with a report that summarised the Council's investigation into the range of options available to deliver affordable housing in West Devon for those who found it difficult to purchase their own property and/or find suitable rented accommodation.

The Leader presented the report in the absence of the Lead Member for Environment and Assets. During discussion, a number of Members expressed support for the principle, and the Senior Specialist Affordable Housing confirmed that the proposal would work well with Community Land Trusts. Some Members raised concerns and queried how Right to Buy would affect a wholly owned company. The Group Manager Business Development confirmed that the proposal would have multiple objectives.

Finally, one Member proposed a joint business case with South Hams District Council and as a result an additional recommendation was included. Some Members agreed that joint working would be beneficial, but Members wanted to ensure that any joint working did not prevent progress for West Devon.

It was then **RESOLVED** that:

1. The work already carried out to support the Council's strategic aim of enabling homes to meet the needs for all as outlined in section 3 of the report be acknowledged;
2. The principles outlined in section 4 of the presented report be agreed and supported; and
3. A detailed business case for the formation of a West Devon Borough Council Wholly Owned Company which will increase the Council's capability to enable homes to meet the needs for all be considered and agreed; and
4. The Leader of Council approach South Hams District Council with a view to discussing the formation of a Wholly Owned Company with South Hams District Council to increase the Council's capability to enable homes to meet the needs for all.

**\*HC 7**

**CROWDFUND DEVON**

Members were presented with a report that provided an overview of the Crowdfund Devon initiative and in particular a mechanism to award West Devon Borough Council funding.

The Deputy Leader presented the report. The Commissioning Manager responded to questions and set out how the crowdfunding would work for projects within West Devon. It was confirmed that there is no cost to West Devon Borough Council to be part of the crowdfunder website.

It was then:

**RESOLVED**

That the proposed Crowdfund West Devon application process (as detailed in paragraph 5 of the presented agenda report) be approved.

**\*HC 8**

**TRANSFORMATION PROGRAMME (T18) CLOSEDOWN**

Members were presented with a report that set out the detail of the Transformation Programme (T18) project, which was a radical transformation that led to the most significant change in the way that the Council worked for more than 40 years. The workforce had been reduced by 30% with all staff roles changed to be flexible and responsive to the needs of the customer. The report set out the details of the different workstreams within the overall Transformation Programme.

The Leader presented the report. A number of Members were supportive of the staff and one Member stated that the success of the project was testament to the skill and determination of the staff. Another Member noted the recent staff survey results which have shown significant improvement over the past three years and stated that the staff should have a massive thank you.

It was then **RESOLVED** that the contents of the T18 Transformation Programme Closedown report and the benefits realised (as set out in Section 8 of the presented agenda report) be endorsed.

**\*HC 9**

**LEAD MEMBER UPDATE**

There was no Lead Member update presented at this meeting.

(The meeting terminated at 4.00pm)

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Chairman

**(NOTE: THESE DECISIONS, WITH THE EXCEPTION OF HC 4 WHICH IS A RECOMMENDATION TO THE COUNCIL MEETING TO BE HELD ON 24 JULY 2018, WILL BECOME EFFECTIVE FROM WEDNESDAY 13 JUNE 2018 UNLESS CALLED IN, IN ACCORDANCE WITH SCRUTINY PROCEDURE RULE 18).**

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Report to: **Hub Committee**

Date: **17th July 2018**

Title: **Medium Term Financial Position 2019/20 onwards**

Portfolio Area: **Cllr P R Sanders - Budget Setting Process**

Wards Affected: **All**

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

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

Author: **Lisa Buckle** Role: **Group Manager for Strategic Finance (S151 Officer)**

Contact: **Tel. 01803 861413**  
**Email: [lisa.buckle@swdevon.gov.uk](mailto:lisa.buckle@swdevon.gov.uk)**

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**Recommendations:**

**It is RECOMMENDED that the Hub Committee:**

- (i) Notes the forecast budget gap for 2019/20 of £0.7 million and the position for future years;**
- (ii) Notes the current options identified and timescales for closing the budget gap in 2019/20 and future years, to achieve long term financial sustainability; and**
- (iii) Agrees maintaining the current Council policy on the minimum level of unearmarked reserves being £750,000 (see Section 9.2).**

## **1. Executive summary**

- 1.1 The Council's Medium Term Financial Position (MTFP) is based on a financial forecast over a rolling five year timeframe to 2023/24.
- 1.2 The Council, along with other local authorities, has faced unprecedented reductions in Government funding since the Comprehensive Spending Review 2010.
- 1.3 Between 2009/10 and 2019/20, the Council's Core Government funding has reduced by £3 million.
- 1.4 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.
- 1.5 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.
- 1.6 West Devon Borough Council is currently forecasting a **£0.7m budget gap in 2019/20**. It is important to note that this is a snapshot (a position statement) in July 18 and future Member decisions on the budget strategy will inform future figures within the Medium Term Financial Strategy (MTFS), which will be presented to Members at the Hub Committee meeting on 11<sup>th</sup> September 2018.
- 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 Group regularly reports to the Hub Committee.

## **2 THE FOUR YEAR SETTLEMENT FUNDING OFFER**

- 2.1 During 2016/17 the Government offered Local Authorities the opportunity to apply for a four year agreed funding settlement, subject to the production of an efficiency plan. The Council applied and was accepted for the four year agreement. From 2018/19 onwards, the Council has received no Government funding (Revenue Support Grant, RSG) and the Council will need to be self-sufficient. Although the four year settlement offered no Revenue Support Grant, it did guarantee the Council its allocations of Rural Services Delivery Grant over the four year period, which equated to £0.37m in 2019/20.

- 2.2 District Councils such as West Devon have also suffered a large reduction in their New Homes Bonus funding (£0.5 million in 17/18) due to the number of years payments being reduced from six years to five years in 17/18 and four years from 18/19 onwards. The funding being released is to contribute towards adult social care costs, a function carried out by Unitary and County Councils.
- 2.3 Between 2009/10 and 2019/20 the Council's Core Government funding will have reduced by £3 million annually.

### **3 ASSUMPTIONS FOR FINANCIAL MODELLING PURPOSES**

- 3.1 The National Employers made a final pay offer covering 1 April 2018 to 31 March 2020. The majority of employees (those on salaries starting at £19,430 p.a.) have received an uplift of 2% on 1/4/18 and a further 2% on 1/4/19, with those on lower salaries receiving higher increases. The cost of this was £85,000 in 2018/19 and a further £95,000 in 2019/20. This has been reflected in Appendix A. The Medium Term Financial Position 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 2.4% in April 2018.
- 3.3 The Medium Term Financial Position has included a cost pressure of £70,000 for Inflation and increases on Goods and Services. The main items are:-  
£20,000 – Business Rates increases  
£2,500 – Apprenticeship Levy  
£7,500 – Utilities inflation  
An amount of £40,000 is to fund a 2.5% uplift on other expenditure budgets.
- 3.4 The predicted interest rate forecast from our treasury management advisors, Link Services, is that interest rates will remain at 0.5% up to November 2018 and then in November 2018 the base rate is predicted to rise to 0.75%. By December 2020 the bank base rate is predicted to increase to 1.5%.
- 3.5 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 £231.63 in 2019/20 as shown in Appendices B and C.
- 3.6 It has been assumed that the number of properties within the Borough will increase by 160 per annum from 2019/20 onwards – this is an increase of approx. 0.8% - the Council had 20,117.85 Band D equivalent properties in 2018/19. These additional properties have been used to calculate the amount of additional Council Tax and also the potential for New Homes Bonus.

#### **4. BUSINESS RATES AND COUNCIL TAX**

4.1 **Retained Business Rates** - The Government introduced the Business Rates Retention system from April 2013. There is a risk of volatility in the system because Councils are exposed to any loss of income if businesses go into decline.

4.2 Of the Business Rates collected of £11 million, the Council currently retains approximately 14p in every £1 to run our services.

#### **Self-sufficient local government: Business Rates Retention of growth above the business rates baseline**

4.3 The Secretary of State has announced in December 2017 that local business rates growth retention would move from 50% to 75% in 2020/21.

#### **4.4 Business Rates Pilot status for 2018-19**

Devon was successful in achieving Business Rates Pilot status for 2018/19 and the pilot began on 1st April 2018. Financial modelling shows that the Devon business rates pool could benefit by somewhere in the region of between £10m to £16.9m by becoming a pilot in 2018/19. The modelling shows that West Devon could benefit by approximately £460,000. This is one-off additional revenue money for the year of the pilot only (2018-19). The bid set out how pilot status for Devon would meet the principles of assisting financial sustainability for the District Councils, higher levels of investment in economic regeneration in Devon and support for Upper Tier Councils with the growing financial cost pressures of areas such as adult social care and children's services. There will be a further opportunity for Councils to bid to be a pilot in 2019/20 and further details of this will be issued by the Government. The Council is awaiting details of the bidding process for Year 2 Pilot status.

#### **Tariff/Top Up Adjustment in 2019/20 (negative Revenue Support Grant)**

4.5 The Tariff/Top Up Adjustment is an amount 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/Top Up Adjustment is negative Revenue Support Grant. Settlement Funding Assessment is the income received by local authorities in the form of (i) Revenue Support Grant from Central Government and (ii) a share of business rates retained locally.

## **Negative Revenue Support Grant (negative RSG)**

- 4.6 In the Local Government Finance Settlement, the Government has said that a consultation will take place in 2018 regarding the current £153million in negative RSG that remains in the 2019/20 funding allocations, with the outcome feeding into the 2019/20 local government finance settlement. The negative RSG currently included within the Council's funding allocation for 2019/20 amounts to £293,377. If the Government were to reduce this by half say, as an outcome of the consultation process, the Council's budget position would be bettered by £150K for 2019/20 and £200K for 2020/21 onwards.
- 4.7 Rural Services Delivery Grant – In the final Finance Settlement, the 2018/19 funding has been increased from £65 million to £81 million. This has meant extra RSDG funding of £91,726 for 2018/19 as the Council's allocation has increased to £464,365. The £464,365 has been built into the Council's business rates baseline due to the Council's Pilot status. The amount of RSDG for 2019/20 is anticipated to be £372,638 as per Appendices B and C.

### **Council Tax**

- 4.8 West Devon Borough Council's share of the council tax bill in 2018/19 was **12%**, being £224.91 out of an average Band D council tax bill of £1,896. The total income from council tax in 2019/20 is predicted to be £4.7 million. A 1% increase in council tax generates an extra £47,000 for West Devon.

### **Increases of less than 3% council tax referendum limit for District Councils**

- 4.9 The Finance Settlement (February 2018) stated that for District Councils, increases of less than 3% or up to and including £5 (whichever is higher), can be made without triggering a council tax referendum. This is for 2018/19 (this is to reflect the level of inflation).

For West Devon Borough Council:-

- i) A £5 increase (2.22%) - This would mean a Band D council tax for West Devon would increase from £224.91 to £229.91 in 2019/20 - a council tax increase of 2.22%. This generates extra council tax income of £101,000.
  - ii) Alternatively a 2.99% increase would mean that the Band D would increase from £224.91 to £231.63 – an increase of £6.72. This generates extra council tax income of £136,000.
- 4.10 The Government has not yet announced what the council tax referendum criteria will be for 2019/20.

## 5 BUDGET PRESSURES, SAVINGS AND INCOME GENERATION

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

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

(As set out in Appendix A)	2019/20	2020/21	2021/22	2022/23	2023/24
Cost Pressures	£420,000	£465,000	£260,000	£260,000	£335,000
Contributions to Earmarked Reserves	£50,000	£50,000	£50,000	£50,000	£50,000
Savings and additional income identified	£(226,280)	£(249,000)	£(198,000)	£(390,000)	Nil

5.3 A description of the larger cost pressures is set out below.

5.4 **Salaries** – A 2% provision for a pay award has been included for 2019/20. This is explained in section 3.1.

5.5 **ICT Support contracts** – An extra £95,000 has been included as a cost pressure in 2019/20, to align the budget to actual expenditure. The ICT budget was set assuming that the Civica solutions introduced by the T18 Transformation Programme would perform as required. In practice, additional solutions were procured in order to maintain services where using the Civica solution was not practical. Purchase of the following systems, which were previously unbudgeted for, was required:-

Northgate Land charges

Clear Core (enables single customer record)

IEG4 Revenues and Benefits to facilitate “My Account” for customers

Northgate Gazeteer – address database

IEG4 software – Automatic processing of changes of circumstances for revenues

The IEG4 software budget is funded by an increase in the housing benefit overpayment recoveries which have been built into the base budget as an income stream.



## SAVINGS AND INCOME GENERATION

- 5.6 **Commercial Property Acquisition Strategy** – A further income projection of £100,000 from investments in commercial property has been built into the 2019/20 Base Budget. The Council has agreed a commercial property acquisition strategy of up to £37.45 million. To date, two investment properties have been purchased with a value of just over £16 million in aggregate.
- 5.7 **Partnership funding** – On 26<sup>th</sup> June, the Overview and Scrutiny Committee considered a report on Partnerships from the Task and Finish Group and recommended that the Partnership funding allocation for 2019/20 is reduced from £95,275 to £81,496, a reduction of £13,779. Partners will be able to join the lottery facilitated by the Council in order to raise funds.

## 6. OVERALL POSITION – BUDGET GAP

- 6.1 Appendices B and C (Modelling Scenarios A and B) illustrates the overall financial forecast for the forthcoming five years. The Council's Net Budget is £7.3 million in 2018/19. A Summary forecast is shown below of the potential budget situation if all of the budget pressures and the savings and income generation in Appendix A were approved. It also shows the situation if the Council Tax is increased by 2.99% (shown in Appendices B and C).
- 6.2 In Modelling Scenario A, there is no change to the current level of negative Revenue Support Grant and it is assumed the Council is not successful in achieving business rates pilot status in 2019/20.
- 6.3 In Modelling Scenario B, it is assumed that negative RSG is reduced by 50% and that the Council is successful in achieving business rates pilot status in 2019/20 also.
- 6.4 The following table illustrates the predicted budget gap from 2019/20 onwards for the Council as shown in Appendices B and C:

<b>Cumulative Budget Gap</b>	<b>2019/20 £</b>	<b>2020/21 £</b>	<b>2021/22 £</b>	<b>2022/23 £</b>	<b>2023/24 £</b>	<b>Total Aggregated Budget Gap £</b>
Modelling A (no reduction in -ve RSG and no Pilot)	705,929	918,067	905,036	543,364	629,533	3,701,929
Modelling B (-ve RSG is reduced by 50% and the Council is a Pilot in 19/20)	325,929	768,067	705,036	343,364	429,533	2,571,929

6.5 In Modelling Scenario A, the total budget gap is £705,929 in 2019/20 and this is predicted to rise to £918,067 in 2020/21. The aggregated Budget Gap is £3.7 million.

6.6 In Modelling Scenario B, the total budget gap is £325,929 in 2019/20 and this is predicted to rise to £768,067 in 2020/21. The aggregated Budget Gap is much reduced at £2.57 million.

## 7 FINANCIAL SUSTAINABILITY AND TIMESCALES

7.1 The Council is progressing various options for closing the budget gap in 2019/20 and future years, to achieve long term financial sustainability. The table below sets out a timescale for those options and the various strands that the Council is exploring.

Option	Possible Budget Impact	Timescale
<p><b>Public Conveniences</b> A budget saving of £50,000 in 2019/20 has been included within the total budget savings modelled. The Committee will consider the direction of travel for this discretionary service at their July meeting.</p>	£50,000	Report to the Hub Committee on 17 <sup>th</sup> July 2018
<p><b>Pensions Strategy</b> The Council is obtaining specialist pensions advice on its Pensions position and progress on this will be reported to the October Audit Committee.</p>	To be quantified	Report to the Audit Committee 9 <sup>th</sup> October 2018
<p><b>Kilworthy Park</b> The Hub Committee considered a report on 13<sup>th</sup> March on Kilworthy Park (Council on 27/3/18). A saving of £50,000 for 2020/21 has been built into the modelling figures.</p>	£50,000 for 2020/21 onwards	An update will be given at the Hub Committee in September 18.
<p><b>Waste Procurement</b> The Council is currently in a waste procurement process through competitive dialogue. The Council will consider a report in July 18 on the Detailed Bid stage of the competitive dialogue process. This is not included in Modelling Scenario A and B and a verbal update will be given at the Hub Committee meeting.</p>	To be quantified	Council meeting 24 <sup>th</sup> July 2018

Option	Possible Budget Impact	Timescale
<p><b>Council Tax Reduction Scheme</b> The grant to Town and Parish Councils has been reduced by 8.6% over the four year period of the finance settlement. Members have an option over whether to withdraw funding in 2020/21.</p>	<p>£59,000 for 2020/21 onwards</p>	<p>Hub Committee September 2018.</p>
<p><b>Asset Review</b> On 5<sup>th</sup> June 2018, the Hub Committee considered a report on Council Owned Asset Investment and Development opportunities. The Council will prepare detailed business cases on the opportunities in the report and report back to Members.</p>	<p>To be quantified</p>	<p>Within three months</p>
<p><b>Funding Options</b></p>		
<p><b>Negative Revenue Support Grant</b> The Government will publish a consultation on this although no timescale is yet known. If the outcome were to be that negative RSG is reduced by say 50%, the impact of this would be £150K in 19/20 and £200K in 20/21 onwards.</p> <p>The Government is seeking a fair and affordable solution to this issue however, as things stand, West Devon will pay the Government negative Revenue Support Grant from 2019/20, clawed back through the business rates system.</p>	<p>£150,000 in 2019/20 and £200,000 in 2020/21 onwards</p>	<p>Anticipated to be known by December 2018 when the Draft Local Government Finance Settlement is published.</p>
<p><b>Business Rates Pilot status for 2019/20</b> If the Devon Business Rates Pilot were to be successful for 2019/20, this could give further one-off extra business rates income in 19/20. Based on a 75% growth retention scheme, this could yield up to £230,000.</p>	<p>£230,000 in 2019/20</p>	<p>December 2018 when the Draft Local Government Finance Settlement is published.</p>

Option	Possible Budget Impact	Timescale
<p><b>New Homes Bonus allocations for 2019/20</b></p> <p>The NHB allocation for 2019/20 is anticipated to be around £434,000, of which £375,000 is currently projected to be used to fund the Revenue Base Budget. The Council could chose to use a higher amount to fund the Revenue Base Budget but this would leave little funding available for the Capital Programme.</p>	<p>Potentially up to £59,000</p>	<p>NHB allocations will be announced around December 2018. Decisions around its use will be made as part of the Budget Process.</p>
<p><b>Contributions to Earmarked Reserves</b></p> <p>The Council could decide not to contribute £25K per annum into an Earmarked Reserve for IT Development and an Earmarked Reserve for Planning (e.g. to fund any appeal costs).</p>	<p>Up to £50K</p>	<p>To be decided as part of the Budget Process</p>
<p><b>Use of Reserves as a temporary measure</b></p> <p>The Council will have £316,484 in a Future Financial Stability Earmarked Reserve (this was from the 18/19 projected pilot gain) and there is £438,000 uncommitted in the Invest to Earn Earmarked Reserve. The Council could temporarily utilise Reserves to balance an element of the 2019/20 budget, whilst longer term solutions are being implemented. This would be a very short term solution though.</p>	<p>To be assessed</p>	<p>To be decided as part of the Budget Process</p>

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



## 8 CAPITAL PROGRAMME 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.
- 8.2 A proposed Capital Programme for 2019/20 onwards is set out in Appendix C.
- 8.3 **Commercial Property Acquisition Strategy** – The Council has agreed a commercial property acquisition strategy of up to £37.45 million. To date, two investment properties have been purchased with a value of just over £16 million in aggregate. Purchases made within the strategy will be capital expenditure and will be in addition to the projects outlined in Appendix C.
- 8.4 **Prudential Borrowing** - The Council will consider the use of prudential borrowing to support capital investment to deliver services and will ensure that the full costs of borrowing are taken into account when investment decisions are made.
- 8.5 The Council's published 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. The Council maintains regular engagement with our Treasury Management advisors, Link Services, and constantly seeks their advice on our strategic direction and key operational decisions.

8.6 Borrowing Limits – The Treasury Management Strategy shows the approved level of Operational Borrowing Limits:  
2019/20 onwards – Operational Boundary of £47.5 million  
This reflects the level of the Council’s Commercial Property Acquisition Strategy of up to £37.45 million.

8.7 Recommendations will be made in the September Medium Term Financial Strategy on the Borrowing Limits for 2019/20 onwards and the Council’s Minimum Revenue Provision Policy Statement.

## **9. EARMARKED AND UNEARMARKED RESERVES**

9.1 A schedule of Earmarked and Unearmarked Reserves is shown in Appendix D. The Council currently has £1.197 million in Unearmarked Reserves and £4.0 million in Earmarked Reserves.

9.2 There is a need to maintain un-earmarked revenue reserves to provide stability for both medium and longer term planning and to provide a contingency against unforeseen events. The minimum level is recommended to be £750,000 as set out in Appendix D.

9.3 The Council will have £316,484 in a Future Financial Stability Earmarked Reserve (this was from the 18/19 projected pilot gain) and there is £438,000 uncommitted in the Invest to Earn Earmarked Reserve. The Council could temporarily utilise Reserves to balance an element of the 2019/20 budget, whilst longer term solutions are being implemented. This would be a very short term solution though.

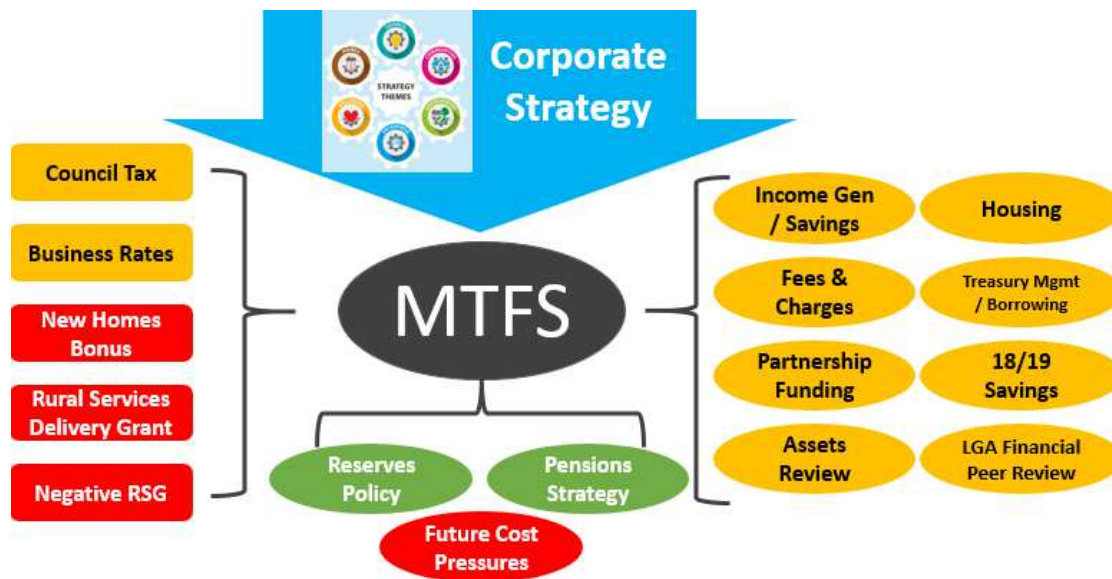
9.4 **Sensitivity analysis and risk analysis** – The Council carries out sensitivity analysis and risk analysis of its Budget Proposals.

## **10 NEXT STEPS**

10.1 This report is a snapshot (a position statement) in July 18 and future Member decisions on the budget strategy will inform future figures within the Medium Term Financial Strategy (MTFS), which will be presented to Members at the Hub Committee meeting on 11<sup>th</sup> September 2018. The Council held an all Member Workshop on the Medium Term Financial Strategy where strategic principles for each element were discussed.

10.2 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. The different elements that make up a Medium Term Financial Strategy are shown in the diagram below. In September 2018, Members will be asked to set the strategic intention for each of these components of the MTFS.

### 10.3 Make up of the MTFS (Net Budget £7.3m)



10.4 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. 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	Y	The financial implications are set out in Section 7 of the report.
Risk	Y	Each of the budget options taken forward by Members will consider the risks of the option.
Comprehensive Impact Assessment Implications		
Equality and Diversity		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 Scenario A

Appendix C – Modelling Scenario B

Appendix D - Schedule of Reserves (Unearmarked and Earmarked)

Appendix E – New Homes Bonus and Capital Programme

Appendix F – Review of 2018/19 Budget Savings and Income Generation



## WEST DEVON BOROUGH COUNCIL

	BASE 2018/19 £	Yr1 2019/20 £	Yr2 2020/21 £	Yr3 2021/22 £	Yr4 2022/23 £	Yr5 2023/24 £
<b>BUDGET PRESSURES</b>						
Waste collection, recycling and cleansing contract (estimate)	190,000	70,000	70,000	70,000	70,000	70,000
Inflation on the street cleaning and public conveniences	10,000	10,000	10,000	10,000	10,000	10,000
ICT future service provision	0	0	150,000	0	0	0
Reduction in planning income	0	0	0	0	0	0
Triennial Pension revaluation	25,000	0	75,000	0	0	75,000
Inflation on goods and services	70,000	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	40,000
Increase in salaries - pay increase at 2% modelled	85,000	95,000	40,000	40,000	40,000	40,000
Maintenance of trees	40,000	0	(20,000)	0	0	0
Reduction in Recycling credits	25,000	0	0	0	0	0
ICT support contracts - increase the budget to align to actual expenditure	65,000	95,000	0	0	0	0
Reduce income target for Kilworthy Park to align to actual income received	25,000	0	0	0	0	0
Reduction in Housing Benefit administration subsidy	16,500	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	20,000
Provision for salary costs for steady state review	20,000	0	0	0	0	0
IT - replace ageing network switches	15,000	0	0	0	0	0
Waste - lease renewal	15,000	0	0	0	0	0
Revenue implication of the waste capital bid in 2017/18 capital programme	13,000	0	0	0	0	0
<b>TOTAL IDENTIFIED BUDGET PRESSURES</b>	<b>674,500</b>	<b>420,000</b>	<b>465,000</b>	<b>260,000</b>	<b>260,000</b>	<b>335,000</b>

## WEST DEVON BOROUGH COUNCIL

	BASE 2018/19 £	Yr1 2019/20 £	Yr2 2020/21 £	Yr3 2021/22 £	Yr4 2022/23 £	Yr5 2022/23 £
<b>Contribution to Earmarked Reserves</b> <b>(This line shows the annual contributions into the Reserve)</b>						
Contribution to IT Development Reserve (£25K per annum)	25,000	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	25,000
Transformation Project (T18) - Approved at 9th December 2014 Council (One-off investment costs) Contribution to Strategic Change Reserve to meet redundancy and pension costs - Contributions reduce to zero in 2019/20	10,000	0	0	0	0	0
<b>Total Contribution to Earmarked Reserves</b>	<b>60,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>

SAVINGS AND INCOME GENERATION IDENTIFIED	BASE 2018/19 £	Yr1 2019/20 £	Yr2 2020/21 £	Yr3 2021/22 £	Yr4 2022/23 £	Yr5 2023/24 £
Income from investments in commercial property	100,000	100,000	20,000	40,000	120,000	0
Re-procurement of contracts (e.g. savings from Leisure contract)	0	0	100,000	130,000	270,000	0
Opt-in charged garden waste service	122,500	0	0	0	0	0
Car parking income from a review of charges	180,000	0	0	0	0	0
Additional car parking income (to reflect current increase in use in 2017/18)	40,000	0	0	0	0	0
Public Conveniences	0	50,000	0	0	0	0
Review of Accommodation/Office requirements (effective 1 April 2018)	82,000	0	0	0	0	0
Kilworthy Park - reduction in operating costs	0	0	50,000	0	0	0
Housing Benefit recoveries of overpayments (increase income target to reflect actual income being achieved)	85,000	25,000	0	0	0	0
Cessation of accepting cash and cheques (effective 1 April 2018)	35,000	0	0	0	0	0
Planning Fees (increase income target to reflect actual income being achieved)	15,000	0	0	0	0	0
Residential Property rental income	0	0	0	28,000	0	
Reduction in Partnership funding (Report to Overview and Scrutiny Committee 26th June)	15,330	13,780	0	0	0	0
Extra treasury management income	20,000	20,000	20,000	0	0	0
Trade waste income	15,000	0	0	0	0	0
Introduction of Direct Lets Scheme	10,000	12,000	0	0	0	0
Paperless Committee agendas	3,500	0	0	0	0	0
Council Tax Reduction Scheme - 8.6% reduction in Town and Parish Grant	6,100	5,500	59,000	0	0	0
Charging for duty planning service	6,500	0	0	0	0	0
Charging for food advice/ environmental health fees and charges	5,000	0	0	0	0	0
Savings from the re-procurement of the Insurance contract	35,000	0	0	0	0	0
Saving on external audit fees for 2018-19	8,000	0	0	0	0	0
<b>TOTAL SAVINGS AND INCOME GENERATION</b>	<b>783,930</b>	<b>226,280</b>	<b>249,000</b>	<b>198,000</b>	<b>390,000</b>	<b>0</b>

<b>Modelling Scenario A - Modelling assumptions: Assumes Council Tax is increased by 2.99% annually; that there is no change to the current level of negative Revenue Support Grant and the Council is not successful in achieving Business Rates Pilot status in 2019/20</b>						
Line	BASE	Yr1	Yr2	Yr3	Yr 4	Yr5
No.	2018/19 £	2019/20 £	2020/21 £	2021/22 £	2022/23	2023/24 £
1	7,423,225	7,313,795	6,801,586	6,805,449	6,880,480	7,112,151
2	674,500	420,000	465,000	260,000	260,000	335,000
3	(783,930)	(226,280)	(249,000)	(198,000)	(390,000)	0
<b>4 Projected Net Expenditure:</b>	<b>7,313,795</b>	<b>7,507,515</b>	<b>7,017,586</b>	<b>6,867,449</b>	<b>6,750,480</b>	<b>7,447,151</b>
<b>Funded By:-</b>						
5	4,524,706	4,696,958	4,875,449	5,060,480	5,252,151	5,450,983
6	96,000	80,000	80,000	80,000	80,000	80,000
7	0	0	0	0	0	0
8	2,049,573	1,620,367	1,650,000	1,690,000	1,730,000	1,780,000
9	0	(293,377)	(300,000)	(400,000)	(400,000)	(400,000)
10	460,000	0	0	0	0	0
11	0	372,638	350,000	350,000	350,000	350,000
12	560,000	375,000	200,000	150,000	150,000	150,000
13	-60,000	-50,000	-50,000	-50,000	-50,000	-50,000
14	-316,484					
<b>15 Total Projected Funding Sources</b>	<b>7,313,795</b>	<b>6,801,586</b>	<b>6,805,449</b>	<b>6,880,480</b>	<b>7,112,151</b>	<b>7,360,983</b>
<b>Budget gap/(surplus) per year</b>						
<b>16</b> (Projected Expenditure line 4 - Projected Funding line 15)	<b>0</b>	<b>705,929</b>	<b>212,137</b>	<b>-13,031</b>	<b>-361,671</b>	<b>86,169</b>
0						
<b>Actual Predicted Cumulative Budget Gap</b>	<b>0</b>	<b>705,929</b>	<b>918,067</b>	<b>905,036</b>	<b>543,364</b>	<b>629,533</b>
<b>Aggregated Budget Gap (if no action is taken in each individual year to close the budget gap annually)</b>	<b>0</b>	<b>705,929</b>	<b>1,623,996</b>	<b>2,529,032</b>	<b>3,072,396</b>	<b>3,701,929</b>

<b>Modelling Assumptions: (Assumes an increase in Band D Equivalent properties of 160 per annum)</b>						
Council Tax (Band D) (an increase of 2.99% per annum has been modelled)	224.91	231.63	238.55	245.68	253.02	260.59
Council TaxBase	20,117.85	20,277.85	20,437.85	20,597.85	20,757.85	20,917.85

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<b>Modelling assumptions (Modelling B): Council Tax is increased by 2.99% annually; that Negative Revenue Support Grant is reduced by 50% and the Council is successful in achieving Business rates pilot status in 2019/20</b>						
Line	BASE	Yr1	Yr2	Yr3	Yr 4	Yr5
No.	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	£	£	£	£		£
1	7,423,225	7,313,795	7,181,586	6,955,449	7,080,480	7,312,151
2	674,500	420,000	465,000	260,000	260,000	335,000
3	(783,930)	(226,280)	(249,000)	(198,000)	(390,000)	0
4	<b>7,313,795</b>	<b>7,507,515</b>	<b>7,397,586</b>	<b>7,017,449</b>	<b>6,950,480</b>	<b>7,647,151</b>
<b>Funded By:-</b>						
5	4,524,706	4,696,958	4,875,449	5,060,480	5,252,151	5,450,983
6	96,000	80,000	80,000	80,000	80,000	80,000
7	0	0	0	0	0	0
8	2,049,573	1,620,367	1,650,000	1,690,000	1,730,000	1,780,000
9	0	(143,377)	(150,000)	(200,000)	(200,000)	(200,000)
10	460,000	230,000	0	0	0	0
11	0	372,638	350,000	350,000	350,000	350,000
12	560,000	375,000	200,000	150,000	150,000	150,000
13	-60,000	-50,000	-50,000	-50,000	-50,000	-50,000
14	-316,484					
15	<b>7,313,795</b>	<b>7,181,586</b>	<b>6,955,449</b>	<b>7,080,480</b>	<b>7,312,151</b>	<b>7,560,983</b>
<b>Budget gap/(surplus) per year</b>						
16	0	325,929	442,137	-63,031	-361,671	86,169
0						
<b>Actual Predicted Cumulative Budget Gap</b>						
	0	325,929	768,067	705,036	343,364	429,533
<b>Aggregated Budget Gap (if no action is taken in each individual year to close the budget gap annually)</b>						
	0	325,929	1,093,996	1,799,032	2,142,396	2,571,929

<b>Modelling Assumptions: (Assumes an increase in Band D Equivalent properties of 160 per annum)</b>						
Council Tax (Band D) (an increase of 2.99% per annum has been modelled)	224.91	231.63	238.55	245.68	253.02	260.59
Council TaxBase	20,117.85	20,277.85	20,437.85	20,597.85	20,757.85	20,917.85

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**EARMARKED AND UNEARMARKED RESERVES**

1.1 The Council's Net Budget is £7.3 million in 2018/19. It is still recommended to retain the same policy of maintaining a minimum level of Unearmarked Reserves of £750,000.

1.2 There is a need to maintain un-earmarked revenue reserves to provide stability for both medium and longer term planning and to provide a contingency against unforeseen events. In setting the minimum level at £750,000, the following have been taken into account:

- The size of the authority
- The volatility of some income and expenditure budgets due to a dependency on the weather, tourism and state of the economy
- The risks faced by the Council with regard to funding unforeseen events
- Uncertainty over future Government funding and Business Rates
- Uncertainty over future New Homes Bonus allocations

1.3 The Unearmarked Reserves (General Fund) balance of £1.197 million stands above the minimum balance of £750,000 and acts as a safeguard against unforeseen financial pressures.

1.4 **Specific Earmarked Reserves** - The level and commitments for each reserve are kept under review each year to make sure the committed balance is adequate for its purpose (in accordance with LLAP Bulletin 99, a guide on 'Reserves' from the Chartered Institute of Public Finance).

1.5 A schedule of Earmarked Reserves for 17/18 is shown below. The Council has Earmarked Reserves of £4 million.

1.6 The tables below show the movements on the two Earmarked Reserves that were set up as part of the Budget approved for 2016/17.

2017/18	Balance at 31 March 2017 £000	Transfers Out £000	Transfers In £000	Balance at 31 March 2018 £000
<b>EARMARKED RESERVES</b>				
<b>General Fund</b>				
Car Parking Maintenance	440	(5)	-	435
ICT Development	24	(19)	25	30
JSG Future Options	46	(35)	-	11
Planning Policy & Major Developments	39	(60)	65	44
16/17 Budget Surplus Contingency	669	(287)	-	382
Innovation Fund (Invest to Earn)	906	(182)	-	724
Outdoor Sports & Recreation	7	-	11	18
Waste & Cleansing Options Review	80	-	-	80
Community Housing Fund	248	(5)	-	243
Leisure Services	174	-	57	231
Support Services Trading	-	-	8	8
Environmental Health Initiatives	-	-	20	20
Habitats Reserve	13	(3)	-	10
Landscape Maintenance	5	-	-	5
Invest to Save	27	-	-	27
Elections	24	-	-	24
DCC Localism Support Officer	4	-	1	5
REIP – Localism Projects	1	(1)	-	-
New Burdens CLG	3	-	-	3
CLG – Assets Community Value	8	-	-	8
Neighbourhood Planning Grants	58	(11)	-	47
World Heritage Key Site	5	-	-	5
Cannons Meadow	16	(3)	-	13
Millwood Homes	15	-	-	15
DCC Public Health	6	-	-	6
Revenue Grants	59	-	161	220
Business Rates Retention Scheme	218	-	291	509
Town Teams & Economic Grants	23	-	-	23
Flood Works	18	(3)	-	15
New Homes Bonus	227	(963)	961	225
Homelessness	30	-	65	95
Strategic Change	111	(51)	227	287
Planning Enforcement	5	-	-	5
Maintenance Fund	223	-	-	223
S106 Monitoring	-	-	19	19
<b>TOTAL EARMARKED REVENUE RESERVES</b>	<b>3,732</b>	<b>(1,628)</b>	<b>1,911</b>	<b>4,015</b>



**Car Parking Maintenance** - In line with the Council's car parking strategy, a car parking maintenance reserve is maintained to ensure that major planned works on car parks can be carried out at the appropriate time, in line with a cyclical programme of maintenance and repairs.

**16/17 Budget Surplus Contingency** – This reserve was created as part of the 2016/17 Budget setting process. There is an uncommitted balance remaining of £241,000.

**Innovation Fund (Invest to Earn)** – This fund has an uncommitted balance of £438,000. The remainder of this fund will be used to acquire and develop land within West Devon to support local housing need (Hub Committee 12/9/17).

**Community Housing Fund** – This reserve was set up to hold the Community Housing Fund Grant. We are working on developing a community housing initiative, which is designed to help local residents to determine and deliver appropriate and affordable housing for their communities.

**Business Rates Retention Scheme** - The business rates reserve covers any possible funding issues from the new accounting arrangements.

**New Homes Bonus** – This reserve was established to show how New Homes Bonus funding has been used on an annual basis.

**Strategic Change Reserve (T18)** – This reserve was set up to finance one off investments under the Council's Transformation Programme that are required for development or the release of ongoing efficiencies. This reserve was funding pension strain costs. The pension strain costs have now all been funded and this reserve has an uncommitted balance of £287,000.

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## New Homes Bonus funding and Capital Programme for 2019-20 onwards

### **1. NEW HOMES BONUS (NHB)**

- 1.1 The Council has received notification of its 2018-19 allocation for NHB of £642,946.
- 1.2 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, including newly built properties and conversions as well as long term empty properties brought back into use, after deducting demolitions.
- 1.3 Following consultation, the Government has implemented reforms to the scheme that sharpen the incentive for 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. It can be seen from the Table below that this reduction from 6 years to 5 years has meant the Council has lost £568,622 in New Homes Bonus funding in 2017/18. The Council has repeatedly made the point that the current crisis in funding for Adult Social Care is a national problem which needs new Government money, as opposed to reducing the New Homes Bonus funding to pay for this and therefore further burdening the council taxpayer to fund social care costs.
- 1.4 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 and NHB was lost of £119,000.
- 1.5 In the draft Local Government Finance Settlement issued just before Christmas 2017, the Government confirmed that NHB payments will be for a period of 4 years and a baseline of 0.4% will continue. No further adjustments to NHB are being made at this stage (for 2018-19).

1.6 The table below shows the NHB received to date and a forecast for future years.

	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
	<b>(£)</b>	<b>(£)</b>	<b>(£)</b>	<b>(£)</b>	<b>(£)</b>
2011/12	323,920	323,920			
2012/13	568,622	568,622	(this year has dropped off by a reduction to 5 years of payment)		
2013/14	133,255	133,255	133,255		
2014/15	222,997	222,997	222,997		
2015/16	248,975	248,975	248,975	248,975	
2016/17		247,527	247,527	247,527	247,527
2017/18			108,515	108,515	108,515
2018/19				37,929	37,929
2019/20					40,000
New Homes Bonus returned	4,913				
NHB Received/ Forecast	<b>1,502,682</b> <b>Actual received</b>	<b>1,749,449</b> <b>Actual received</b>	<b>961,269</b> <b>Actual received</b>	<b>642,946</b> <b>Allocation</b>	<b>433,971</b> <b>Forecast</b>

- 1.7 The table below shows estimated amounts of NHB receivable in future years and potential uses of the NHB funding:-

	<b>2018-19</b> <b>(£)</b>	<b>2019-20</b> <b>(£)</b>	<b>2020-21</b> <b>(£)</b>
Predicted NHB amount	642,946	433,971	228,000
Amount required to fund Capital Projects	65,000	50,000?	50,000?
To fund the Revenue Base Budget	560,000	375,000	200,000
Dartmoor National Park allocation	TBA	TBA	TBA
<b>Funding shortfall</b>	<b>£17,946 remaining</b>	<b>£8,971 remaining</b>	<b>£22,000 shortfall</b>

The NHB recommended to fund the Revenue Base Budget in 2019-20 is currently modelled at £375,000.

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

## 2. CAPITAL PROGRAMME 2019/20 to 2021/22

2.1 The table below shows an outline capital budget proposal for the Capital Programme for 2019/20 to 2021/22.

	2019/20	2020/21	2021/22
Village Halls and Community Projects (Note 1)	TBA	TBA	TBA
Affordable Housing (Note 2)	50,000	50,000	50,000
Private Sector Renewals including Disabled Facilities Grants	763,715	800,000	800,000
<b>TOTAL CAPITAL PROGRAMME</b>	<b>813,715</b>	<b>850,000</b>	<b>850,000</b>
<b>Suggested method of funding the Capital Programme:</b>			
Better Care funding towards DFGs (assumed will match the spend)	(763,715)	(800,000)	(800,000)
<b>New Homes Bonus (Required to fund the Capital Programme)</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>

**Note 1** – The Capital requirements for Village Halls and Community Projects will be assessed annually. Details will be contained within the September Medium Term Financial Strategy.

## **Note 2 – Affordable Housing**

Within the last year, the capital programme has helped to support the following schemes:

- Cannonsmead Cottages, South Tawton. This is a scheme of 6 units all for rented accommodation which will be advertised through Devon Home Choice once complete. The properties will be owned and managed by Rural Specialists Hastoe Housing. Completion is expected to be in the middle of next year. Consultation events took place earlier last year and officers will raise awareness of this scheme prior to its completion.
- Walkham Meadows, Horrabridge. This scheme is 10 units in total and all of which will be for affordable rent. The scheme is being owned and managed by DCH who also own the properties on the adjacent scheme. The properties will be advertised through Devon Home Choice and awareness events will take place in Horrabridge prior to completion.

The affordable housing capital programme has been vital in the delivery of affordable homes, particularly within our rural communities. Recent spend of the capital programme money were for rural schemes in Horrabridge and South Tawton. This £50,000 capital funding each year is likely to be needed in the future due to the reduction in off site contributions that were previously collected. This is due to changes in the National Planning Policy Framework which means the Council cannot collect payments in lieu of affordable housing on 5 or less units. Historically the authority was able to take up to £14k per unit which could be added to s106 monies to provide subsidy for future developments like South Tawton.

In terms of the capital programme, housing officers would like to ask for £50,000 to support schemes similar to the above. Developments have not come forward in a timely manner which would have provided a commuted sum and therefore this amount is requested to enable affordable housing developments to come forward. The funding is paid directly to the housing association on receipt of an invoice.

**Note 3 - Commercial Property Acquisition Strategy** – The Council has agreed a commercial property acquisition strategy of up to £37.45 million. To date, two investment properties have been purchased with a value of just over £16 million in aggregate. Purchases made within the strategy will be capital expenditure and will be in addition to the projects outlined in this Appendix.

## **Note 4 – Pay on Entry for Public Conveniences**

A report is being considered by the Hub Committee on the future provision of public conveniences. Depending on the outcome of the recommendations on the report, there maybe a requirement to purchase pay on entry equipment of between £50,000 to £60,000, which it is recommended is funded from the Strategic Change Earmarked Reserve.

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### Summary of Savings and Additional Income from the 2018-19 Budget Setting Process

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

<b>Savings and Additional Income for the 2018-19 Budget</b>	<b>Amount (£)</b>	<b>Is the saving/additional income on track to be delivered?</b>
Income from Investments in Commercial Property	100,000	The Council's ancillary income from Investments in Commercial Property is currently projected to exceed £100,000 in 2018-19.
Opt-in charged garden waste service	122,500	The Council is projected to meet this additional income, based on customers who subscribed last October, re-subscribing this October. The Council is also promoting an online summer sale (for customers who sign up by direct debit by 16 July) to have their garden waste collected until October for £15.
Car Parking income	180,000	This is the projected income from the reasonable setting of car parking tariffs. After a 21 day consultation period, which closed on 1 June 2018, the Council is proceeding to implement new car parking charges. Having not increased car parking charges for 5 years, in that time the cost of delivering parking services in the public realm has increased. In order for the Council to continue to provide a high standard of parking services to residents, in most areas the new fees will raise from £2.00 all day long stay to £2.50. The Pay & Display charges will come into effect from Monday 2 <sup>nd</sup> July 2018.
Additional car parking income (to reflect the current increase in use in 2017/18)	40,000	In 2017/18, actual car parking income was £40,000 above the budgeted level of £0.842m. The level of car parking income will be monitored regularly throughout the year.
Review of Accommodation/Office requirements (effective 1 April 2018)	82,000	The office in Okehampton has been closed. Engagement Officers (from the Locality Team) currently have a presence in the Ockment Centre on certain days and this arrangement will be regularly monitored. The level of savings achieved is being reviewed and will be reported through the budget monitoring reports.
Housing Benefit recoveries of overpayments (increase income target to reflect actual income achieved)	85,000	The Council is projected to meet this budget for Housing Benefit recoveries.

<b>Savings and Additional Income for the 2018-19 Budget</b>	<b>Amount (£)</b>	<b>Is the saving/additional income on track to be delivered?</b>
Cessation of accepting cash and cheques – To remove the facility for accepting cash and cheques at Council premises, excluding Car Parks. Customers (as now) will be able to pay by cash or cheques via Paypoint or at Post Office.	35,000	Data for the first quarter demonstrates projected budget savings will be met. Temporary arrangements have been put into place for Parish/Town Councils who are unable to pay using any other method apart from cheques, whilst they move across to online banking.
Planning Fees	15,000	Based on income received to date from planning fees, the Council is on track to generate the additional income in 2018/19.
Reduction in Partnership funding	15,330	Partners have been notified of their reduced funding for the 2018/19 financial year.
Extra treasury management income	20,000	It is expected that the extra treasury management income will be generated through the Council agreeing a widened Counter-Party list for 2018-19 for investments.
Trade waste income	15,000	The position will be monitored regularly throughout the year.
Introduction of Direct Lets Scheme	10,000	To date we have taken on four properties, with a formal launch and marketing scheduled for the rest of the year.
Paperless Committee agendas	3,500	The Council has implemented the changes to paperless Committee agendas.
Council Tax Reduction Scheme – 8.6% reduction in Town and Parish Grant	6,100	All Town and Parish Councils were notified of their 2018/19 grant levels, which represented a reduction of 8.6%.
Charging for duty planning service	6,500	The duty planning service has been well received and the Council is on track to generate the additional income projected.
Charging for food advice/environmental health fees and charges	5,000	The new charges have been implemented and it is envisaged the additional income is on track to be delivered.
Savings from the re-procurement of the Insurance contract	35,000	These savings have been delivered through the Insurance procurement process.
Saving on external audit fees for 2018-19	8,000	The saving has been delivered. The Council has been notified of its audit fees for 2018-19 by Grant Thornton and these equate to £30,335, representing a 23% reduction.
<b>TOTAL</b>	<b>£783,930</b>	

Report to: **Hub Committee**

Date: **17 July 2018**

Title: **Business Rates – Locally Administered Business Rate Relief Policy**

Portfolio Area: **Cllr Oxborough**

Wards Affected: **all**

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

Date next steps can be taken: **After Full Council  
24 July 2018**

Author: **Steve Henstock** Role: **Revenue Specialist - Housing Revenues & Benefits COP**

Contact: **01822 813551: Isabel.blake@swdevon.gov.uk**

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## **Recommendations:**

1. That Hub Committee **RECOMMEND** to Full Council adoption of the Year 2 Locally Administered Business Rate Relief Policy.

### **1. Executive summary**

1.1 Members are asked to consider and recommend the policy (Appendix 1) to administer Year 2 of the 4 year funding agreement, awarded by central Government to support those who have seen an increase in their rates bill due to the 2017 revaluation exercise.

### **2. Background**

2.1 As a result of the 2017 revaluation exercise, central Government allocated £300m over 4 years to help those who saw an increase in their rates bill. In West Devon the award for 2017/18 was £112k, but has been reduced as follows.

- 2018/19 - £54k
- 2019/20 - £22k
- 2020/21 - £3k

2.2 There are some conditions to the grant which can be found at point 1.3 of Appendix 1 – the locally administered business rate relief policy.

2.3 The policy for Year 2 again proposes to divide funding in to 2 separate funds. A lump sum payment to businesses that have seen an increase in their rates bill after all reliefs have been taken into account. The criteria of this award can be found at 2.2 of Appendix

1 – The Policy. The second fund concerns discretionary awards for those businesses regardless of their eligibility for the lump sum payment. These applications will be considered by the already existing Rate Relief Panel and must meet criteria set out in Appendix 1, 2.4 – The Policy. Due to reduced funding in Year 2, the proportion of the Government funding allocated for applications for consideration by the Rates Relief Panel has been reduced.

2.4 The awards will be made automatically to those Business that have been identified as qualifying, and they will be given the opportunity to advise if their circumstances have changed when notified of the award.

### 3. Outcomes/outputs

3.1 It is intended to adopt this policy as soon as possible in order that the awards can be made.

### 4. Options available and consideration of risk

4.1 The Government will fully fund West Devon Borough Council and the other preceptor Authorities their share of lost income from the awards through a grant.

4.2 Any relief awarded above the grant will not receive Government funding, and any shortfall in the award will be funding lost locally, so the fund will be closely monitored.

### 5. Proposed Way Forward

5.1 That Members recommend to Full Council the adoption of the Locally Administered Business Rate Relief Policy subject to the agreement of the other preceptors.

### 6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	Local Government Act 1988, Section 47
Financial	Y	The funding for this scheme has come from central government. The 4 years of annual award are detailed in the background section
Risk		As this is Year 2 of the scheme, funding has been reduced, and the amount of award will need to be closely monitored to ensure that it is awarded in full.
Comprehensive Impact Assessment Implications		
Equality and		None

Diversity		
Safeguarding		None
Community Safety, Crime and Disorder		None
Health, Safety and Wellbeing		None
Other implications		

### **Supporting Information**

#### **Appendices:**

Appendix 1 – Locally Administered Discretionary Rate Relief Policy

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## West Devon Borough Council

### Business Rates – Locally Administered Business Rates Relief Policy – Year Two

Issue details	
<b>Title:</b>	<b>Locally Administered Business Rates Relief Policy – Year Two</b>
<b>Version number</b>	<b>Version 1.0</b>
<b>Officer responsible:</b>	<b>Isabel Blake Community of Practice Lead Specialist, Housing, Revenues &amp; Benefits</b>
<b>Authorisation by:</b>	<b>Full Council</b>
<b>Authorisation date:</b>	

#### 1 Background

- 1.1 The Government in the Spring Budget of 2017, announced a fund to Local Authorities to help those who have had an increase in their Rates bill due to the 2017 revaluation.
- 1.2 The Government have allocated £300 million nationally over four financial years commencing on 1<sup>st</sup> April 2017.
- 1.2.1 In 2017/18 West Devon Borough Council were allocated £112,000 but this has been reduced for 2018/19 to £54,000; 2019/20 - £22,000; 2020/21 - £3,000 to provide support under the scheme
- 1.3 The Government will fully fund West Devon Borough Council, and the major precepting authorities, their share of lost income from the awards under this policy by way of a Section 31 Grant. The Grant will have conditions attached to it:
- 1.3.1 Any relief awarded above the allocated Grant amount will not receive full Government Funding.
- 1.3.2 The Grant must be used to support only ratepayers facing an increase in their bills following Revaluation

## **2 What is WDBC's policy?**

- 2.1 West Devon's policy is to ensure that continued support is provided to those Businesses that have seen an increase in their bill due to the Revaluation by way of a payment to reduce their Business Rates. The reduction in the allocated amount for year 2 of the scheme means that most of the funding is being provided to Business straight away. There will be part of the Government Funding set aside for those who are suffering additional hardship through the increase in their Business Rates bills and make an application to the Rates Relief Panel for assistance. Any ratepayer who is suffering Hardship already has the ability to apply to the Council for assistance.

### **Initial lump sum payment**

- 2.2 The Council will make an award of up to £450 but no more than the actual 2017/18 increase in the rates bill to business who have seen an increase due to the revaluation. This is provided they fulfil the following criteria:
- The increase is based on the Rateable Value as at 31.03.2017 compared to the Rateable Value of the same property as at 01.04.2017.
  - The ratepayer was occupying the premises on 31.3.2017 and has done so continuously until at least 01.04.2018
  - The Rateable Value on 01.04.2017 was £12,000 or greater, but less than £200,000.
  - The ratepayer is a local business, wholly or predominantly based in West Devon.
  - The ratepayer was paying more on 01.04.2017 after all reliefs have been taken into account
  - The ratepayer must not be in receipt of a mandatory relief
- 2.3 The payment is made based on a daily charge, and will be adjusted down:
- If there is a change to the ratepayers circumstances where the property is vacated (the ratepayer ceases to be liable, or leaves the property empty)
  - If the ratepayer subsequently receives a reduction – such as small business rates relief, that reduces their bill.
  - If there is a reduction to the 2017 Rateable Value

### **Discretionary Applications**

- 2.4 The Council will make available a proportion of the Government Funding for applications from any ratepayer where there has been an increase in the rateable value of the property on 01.04.2017 compared to 31.03.2017 whether they were eligible for the lump sum payment or not. These applications will go before the Rate Relief Panel for consideration. Whilst any application will be considered it must meet the following criteria:



- There must have been an increase in the amount of rates payable (after mandatory reliefs have been taken into account) between the rates due on 31.03.2017 and 01.04.2017
- The ratepayer must be the same ratepayer and in continuous occupation since 31.03.2017
- It must be of benefit to local taxpayers to award the relief
- The ratepayer must provide goods or services to the benefit of the West Devon residents
- The ratepayer is suffering hardship due to the increase in the rates payable or it will affect their ability to provide goods or services to the residents of West Devon
- The ratepayer must supply any documentation to support their application that the Rate Relief Panel decide is required for them to make a decision

### **Changes of Circumstances**

- 2.5 Where a ratepayer has received a reduction under this policy, they will be required to notify the Council within 21 days of a change to their circumstances that will affect the amount of reduction they receive.
- A change would include, but is not limited to: a reduction in the 2017 Rateable Value of the property; vacating the property or leaving it empty; opening businesses outside of the West Devon area.
- 2.6 Failure to notify the Council of such a change may result in the amount of relief paid out under this policy being removed completely.

### **Award Period**

- 2.7 The award of relief under this policy will be for a maximum of one year and only for the 2018 Financial Year (i.e. maximum period 01.04.2018 – 31.03.2019).

### **Review of local scheme**

- 2.8 The 2018/19 scheme will be reviewed at the end of March and any Government Allocation not awarded will be shared between those businesses whose award was limited to £450.00 but their 2017 increase was greater than that amount
- 2.9 The eligibility criteria for year three and four will be identified to ensure it still best meets the needs of local ratepayers, especially those that saw the greatest increase in their rates bills
- In years three and four of the scheme, Government Funding reduces by 80% and 98% respectively from the original award, so the scheme may alter to require all applications to be considered by the Rate Relief Panel

### **3 Administering the scheme**

- 3.1 Locally Administered Business Rates Relief Awards for Year Two will be made automatically to those business identified as qualifying. Business will be notified of the award and its criteria and given the opportunity to decline the award

There is no requirement to pay a fee to make an application for discretionary relief.

- 3.2 The Council will identify entitlement to a lump sum payment and an award will automatically be made to those who qualify by way of a reduction in their business rates bill. They will be notified the basis of the award in that:

- They are in occupation of the premises
- They are a business wholly or predominantly based in West Devon
- They will notify the Council within 21 days of any change in their circumstances
- The payment will not breach State Aid rules

- 3.3 Once the relief is awarded, a revised Business Rates bill issued.

3.3.1 This relief will be awarded by an officer of the Council and will not need to go back to the Rates Relief Panel for confirmation

3.3.2 Should the eligibility for relief change, due to a change in circumstances, an officer of the Council will be responsible for calculating the reduction in award

- 3.4 Discretionary Payment awards under this policy will be put before the Rates Relief Panel for a decision on whether to award any relief and if so, what amount

3.4.1 Should the eligibility for relief change, due to change in circumstances, an officer of the Council will be responsible for calculating a reduction in any discretionary award made by the panel

#### **Publicity of reductions and reliefs**

- 3.5 The Council will publicise this and all other reliefs through its website and other media to ensure ratepayers are aware of all the reliefs that they may be entitled to claim.

3.5.1 All Businesses entitled to reliefs will be published on the Council's website in accordance with current Freedom of Information requirements

## **Right to appeal**

3.6 If the ratepayer is not satisfied with an award in accordance with this policy, they may request a review in writing stating their reasons for appeal.

3.6.1 All appeals will be put before the Rates Relief Panel for a review of the decision.

3.7 There will be no further review of the decision by the Council once the Rate Relief Panel has reconsidered a decision under point 3.6

## **4 Equality impact considerations – the policy is high relevance to equality if it has a big impact on residents and users of the service**

### **Low**

4.1 This Equality Impact Assessment considers the impact of this policy on the relevant protected characteristics, as defined by the Equality Duty, which are:

- Age (including children and young people)
- Disability
- Gender reassignment
- Pregnancy and maternity
- Race
- Religion or belief
- Sex
- Sexual orientation
- Marriage or civil partnership status (in respect of the requirement to have due regard to eliminate discrimination)
- An additional WDBC local factor of community considerations such as socio-economic factors, criminal convictions, rural living or Human Rights

4.2 This policy has a positive or neutral impact on all protected characteristics.

4.3 The protected characteristics which are positively impacted are local factor of community considerations. This is because the policy will reduce the outgoings (through the rates bill) of local businesses. When considering discretionary applications, the Rate Relief Panel will have the interests of local taxpayers in mind.

## **5 Related Policies/Strategies, Procedures and Legislation**

5.1 **Related policies**  
None

## **5.2 Legislation**

Local Government Act 1988 – Section 47

## **6 Policy date for review**

- 6.1 This policy will be reviewed in its effectiveness in meeting the needs of local businesses who have suffered an increase in their rates bills, and a new policy for Years Three and Four put before the HUB Committee early in the 2019/20 Financial Year.

DRAFT

Report to: **Hub Committee**  
Date: **17 July 2018**  
Title: **Homelessness Strategy Action Plan 18/19**  
Portfolio Area: **Health and Wellbeing – Cllr Leech**  
Wards Affected: **all**

Relevant Scrutiny Committee: Overview and Scrutiny Committee

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

Date next steps can be taken: **After Call In**  
**25 July 2018**

Author: **Sophie Cobbledick** Role: **Housing Specialist**

Contact: **01803 861441 email:**  
[Sophie.cobbledick@swdevon.gov.uk](mailto:Sophie.cobbledick@swdevon.gov.uk)

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**Recommendations:**

That the Hub Committee be **RECOMMENDED** to adopt the Homelessness Strategy Action Plan 2018/19 with immediate effect.

**1. Executive summary**

- 1.1. Members will recall the adoption of the 2017-22 Homelessness Strategy and the corresponding Action plan for the year 2017/18.
- 1.2. The review of the 2017/18 Action plan has been completed and surmised in appendix 1.
- 1.3. The draft 2018-19 Action plan is attached as appendix 2 and details the proposed actions for the Strategy's second year.
- 1.4. Widespread consultation with partner organisations on the action plan was completed in April 2018 with 100% of respondents either agreeing or strongly agreeing with the proposed actions. A summary of these responses is attached as Appendix 3.

**2. Background**

- 2.1. It is a statutory requirement of the Homeless Act 2002 for each Local Authority to have a homelessness strategy, which reviews homelessness and its causes locally, and the plan to tackle and prevent homelessness in their area. It is also a requirement that the Authority will consult with the public or Local Authorities, voluntary organisations or other as they consider appropriate.

Whilst it is not a requirement to consult on the annual action plans it was felt that the input of partner agencies in the formation of the annual plan would be of benefit to us.

- 2.2. The South Hams and West Devon Joint Homelessness Strategy was adopted in 2017 and included a requirement to produce an annual Action plan and the requirement to report to Members annually on progress against the previous year's action plan.

### 3. Outcomes/outputs

- 3.1. Members are asked to recommend to the adoption of the 2018-19 South Hams & West Devon Homeless Strategy Action Plan.
- 3.2. Officers will report back annually on progress against the Action Plan, and to agree the actions for the following year.

### 4. Options available and consideration of risk

- 4.1. The introduction of the Homeless Reduction Act 2017 has altered the legislative framework within which Local Authorities are required to perform. The formulation of the 18-19 Action plan has taken into consideration the impact of the legislative changes. This Authority already offered a prevention-led service rather than one that is reactive, so has found itself in a strong position to respond to the changes in legislation. Furthermore the plans to tackle and prevent homelessness, as contained in the strategy, are designed to strengthen wherever possible the effective work of early intervention.
- 4.2. Some of the actions may require funding. It is important to note that Local Authorities still receive a prevention of homeless grant from central Government. In South Hams this is for £78,132 and in West Devon this is for £64,148. This is likely to remain at least until 2020. We are not making any request for additional funding to deliver this strategy.
- 4.3. Members will note that our current financial advice service is contracted to Citizens Advice. The contract value is £25,000 per year split equally between South Hams and West Devon. The contract is due for re tender in June 2018.

### 5. Proposed Way Forward

- 5.1. That Members recommend the adoption of the 2018-19 Action Plan.

### 6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	It is a legal requirement of the 2002 Homeless Act to have a homeless strategy
Financial	Y	No additional funding is sought at this time.  It is important to note that Local Authorities still

		receive a prevention of homeless grant from central Government. In South Hams this is for £78,132 and in West Devon this is for £64,148. This is likely to remain at least until 2020. As most of the Actions are designed around homeless prevention and early intervention, the larger costs of temporary accommodation and rehousing will wherever possible be negated. This by far not only offers the best service for the customer but is the most efficient in terms of the Local Authority.
Risk	N	
Comprehensive Impact Assessment Implications		
Equality and Diversity	Y	The public consultation was reflective of the local demographic.
Safeguarding	Y	As the Homeless Strategy Action Plan concerns work with very vulnerable people and one of the priorities is around Health and Wellbeing, the corporate safeguarding policy will underpin the work of officers who regularly work with homeless households.
Community Safety, Crime and Disorder	Y	Devon & Cornwall Police have contributed to the development of the Action Plan and will remain significant partners during the delivery of relevant actions in the action plan.
Health, Safety and Wellbeing	Y	The prime concern for the Strategy is around tackling and preventing homelessness which in turn is designed around improving the health and wellbeing of people living in the area.
Other implications		

### **Supporting Information**

#### **Appendices:**

Appendix 1 Review of 2017-18 Action plan

Appendix 2 South Hams & West Devon Homelessness Strategy Action Plan 2018/19

Appendix 3 Summary of the Consultation online responses

#### **Background Papers:**

**None**

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## **Appendix 1**

### **Background**

The Homelessness Act 2002 places a duty on local authorities to review homelessness, and the influencing factors that cause homelessness, and to develop a strategy which addresses the findings of the review.

Our 2017-2022 Homelessness Strategy for South Hams and West Devon has been designed to address changes in national policy, reductions in government spending, changes in demography in the area and the impact of the 2013 Welfare reform Bill, 2012 localism Bill and 2017 Homeless Reduction Act.

### **The Key Priorities for the Homelessness Strategy**

The review of homelessness in South Hams and West Devon identified four key priorities to reduce and prevent homelessness.. These are:

- Understanding the True Cost of Homelessness
- Access to Housing
- Access to Services
- Health and Wellbeing

These four key priorities form the basis of the strategy and the annual Action Plan. Our 2018-19 Action plan has been developed following a review of the progress made to date on our existing 2017-18 Action plan.

### **Progress to date**

Following the review of the 2017/18 Action Plan we are pleased to be able to confirm that good progress has been made on the actions for the year.

### **Review of 17/18 Action Plan**

Understanding the True Cost of Homelessness

- In the year 2017-18 337 Households were prevented from becoming homeless in South Hams and 322 in West Devon.
- Our Money Advice Contract assisted 240 households across South Hams and West Devon in the financial year 2017/18 and brought in excess of £46,000 in previously unclaimed benefits and other entitlements.
- Our tenancy support service has worked with 79 households in the 6 months to March 2018.
- Our Social Prescribing pilot supported 169 customers across 6 GP surgeries. Surgeries reported a 64% decrease in visits to the GP following the social prescribing interventions.

## Access to Services

- Increased focus on partnership working and improved relationships to facilitate earlier identification and more effective interventions.
  - Presentations delivered to Children's services on services available from Housing Advice and appropriate referral pathways to increase opportunities for early intervention and joint working.
  - Creation of a Joint Working Protocol with Devon County Council Children's Services for 16/17yr olds at risk of homelessness to ensure effective joint working practices.
  - Increased outreach presence negotiated with Drug and Alcohol services to address issues facing those rough sleeping.
- Expansion of the roles of our Localities team members to improve outreach provision to our vulnerable customers. This includes support with claims for Housing Benefit and Devon Home Choice applications.
- New website content launched
- Work undertaken to improve relationships with Landlords and Housing associations to increase focus on early identification of those with tenancy sustainment issues.

## Access to Housing

- Approval received for creation of a letting agency in West Devon in addition to the existing agency in South Hams.
- Value for money review undertaken on existing lettings scheme in South Hams to ensure scheme remains viable and attractive to landlords. This has resulted in a reduction in the management charges levied to landlord to ensure our offer is competitive.
- Shared room accommodation and single person units identified as in significant shortage in South Hams and West Devon. Focus to be given to expanding the accommodation type managed as part of the lettings schemes to include HMO accommodation.
- Ongoing consideration being given to shared accommodation tenure options being included as part of new developments.

## Health and Wellbeing

- Expansion of our existing Health and Wellbeing panel to include a panel dedicated to finding solutions for those with a need for adapted housing. Panel due to be launched in May 2018.

- Six Seminar presentations on housing choices successfully delivered to students at KEVICC in Totnes
- 50% success rate on securing long term housing for rough sleepers across both districts following severe weather interventions.
- Expanded outreach provision from Drug and Alcohol support services to rough sleepers in Totnes.

**Actions to be rolled over as incomplete:**

- Landlord forums to be established in West Devon
- Vulnerable Customer Charter to be finalised
- Work with schools to be expanded to include all major secondary schools

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# South Hams & West Devon Homelessness Strategy

2018/19  
Action Plan





## Priority 1: Understanding the True Cost of Homelessness

-  Ensure there is a solid evidence base which informs, across all sectors, the true cost of homelessness in South Hams & West Devon.
-  Monitor the impact of welfare reform, to inform future strategic priorities
-  Recognise the continuing pressures on Council's budgets and how best to target resources in the most meaningful way, ensuring partnerships with other agencies demonstrate value for money.
-  Ensure access to good quality money advice, to help tackle poverty, poor quality housing and homelessness

PI	Action	Measure	By When
HSU1	Analyse available data relating to current EPC standards in the area and offer support and solutions to vulnerable customers in poor energy performance properties.	Increase in homeless prevention from households in unsuitable, defective accommodation, who would otherwise have become homeless	Autumn 2018
HSU2	Evaluate the current Money Advice service and use this information to form the basis of the re tender. Ensure that contract expectations are appropriate, provide value for money and prevention focussed.	Effective targeting of support	July 2018
HSU3	Work with partnership agencies to improve tenancy sustainment by providing support and improved tenant education.	Reduction in the number of households evicted from private rented accommodation  Reduction in repeat service users	June 2018 and ongoing throughout the life of this strategy
HSU4	A 15% reduction on the 17/18 figures for the number of nights in B&B/self-contained spot purchased TA (1751 SH's, 3187 WD)	Reduction in long term use of temporary accommodation	April 19

## Priority 2: Access to Services

- ◆ Offer advice and assistance in a range of formats, so the customer can choose how they communicate with their Council
- ◆ Ensure our most vulnerable customers are able to access advice services effectively
- ◆ Work with partners to ensure that we are able to offer services at the time and place our customers need them most
- ◆ Ensure we are readily and regularly consulting with our customers and stakeholders to make sure we get our services right.

PI	Action	Measure	By When
HSS1	Create a Devon wide method of referring those threatened with homelessness who present to another service and ensure partners are trained to deliver this.	Increased early intervention and homeless prevention work	October 2018
HSS2	Improve partnership working with Children's Services through short term housing specialist co location with the Multi Agency Safeguarding Hub.	Sustained low levels of youth homelessness	June 2018 and ongoing throughout the life of this strategy
HSS3	Improve and promote self service options available through our website and partner agency sites	Reduction in homelessness and interventions required as people are able to resolve their own housing problems	June 2018 and ongoing throughout the life of this strategy
HSS4	Train all localities staff to support vulnerable customers with accessing housing options, housing benefits, universal credit and the housing register.	Increased early intervention and homeless prevention work	June 2018 and ongoing throughout the life of this strategy
HSS5	Introduce customer portal access to housing services to expand on existing online services	Increased contact options for the customer and a decrease in "failure demand"	July 2018
HSS6	Incorporate co location opportunities with partner agencies to strengthen partnership working	Increased early intervention and homeless prevention work	June 2018
HSS7	Increase referrals using the Right for Children to access Early Help	Increased early intervention and homeless prevention work	October 2018






## Priority 3: Access to Housing

- ◆ Increase the supply, standard and options for people who face homelessness within our area
- ◆ Develop innovative options for our Rough Sleeper Community
- ◆ Continue the downward use of temporary accommodation for homeless households.

PI	Action	Measure	By when
HS1	Launch of letting scheme in West Devon – Seamoor Lettings – aim to achieve 10 properties under the scheme within the first year.	Reduction in temporary accommodation	April 19
HS2	Re launch of letting scheme in South Hams under new name Seamoor Lettings – Aim to achieve 10 new properties under the scheme within the year.	Reduction in temporary accommodation	April 19
HS3	Diversification of temporary accommodation portfolio to include; Single person accommodation and accommodation suitable for 16/17yr olds and care leavers	Reduction in numbers of young people accepted as homeless or being taken into care.  Reduction in numbers of young people in temporary accommodation	April 19
HS4	Investigate innovative accommodation options as a route into sustainable housing for rough sleepers.	Reduction in Rough Sleeper estimated count	October 19 and ongoing throughout the life of this Strategy
HS5	Sustain high success levels of rough sleepers into long term accommodation	Reduction in Rough Sleeper estimated count	October 2018
HS6	Deliver 4 Landlord Forums across the two LA's to improve relationships with the private sector	Reduction in the number of households evicted from private rented accommodation	November 18

## Priority 4: Health & Wellbeing

-  Work in partnership with our voluntary & statutory sectors to holistically address people's needs, as fully as possible.
-  Ensure that we adequately protect & safeguard the most vulnerable members of our community
-  Enable early access to help, to avoid crisis and tackle homelessness, at its root cause.

PI	Action	Measure	By When
HSW1	Engage with schools to create a housing advice presence through delivery of homelessness awareness sessions in all 6 schools in South Hams and West Devon	Sustained low levels of youth homelessness	April 19
HSW2	Maintain a tailored multi agency support for rough sleepers and those at risk of rough sleeping to ensure holistic approach to individual circumstances which is not accommodation dependant.	Reduction in new rough sleepers	October 18
HSW3	Ensure all council employees are enabled to identify and report safeguarding issues using the appropriate channels.	Increased early intervention and homeless prevention work	August 18
HSW4	Provide 20 grants or loans to local households in South Hams and in West Devon to help improve energy efficiency.	Increased wellbeing of customer as a result of the most appropriate intervention	April 19
HSW5	Launch the extended health and Wellbeing panel to focus on finding solutions for those requiring adapted accommodation.	Increased wellbeing of customer as a result of the most appropriate intervention	May 18
HSW6	Deliver a Vulnerable Customer Charter to ensure that the responsibility we have toward our most vulnerable customers is embedded within our Local Authorities and compliments Devon County Council's Better Together Initiative	Increased wellbeing of customer as a result of the most appropriate intervention	October 18



# Making a positive impact on the lives of local people by providing valued and easy to use services



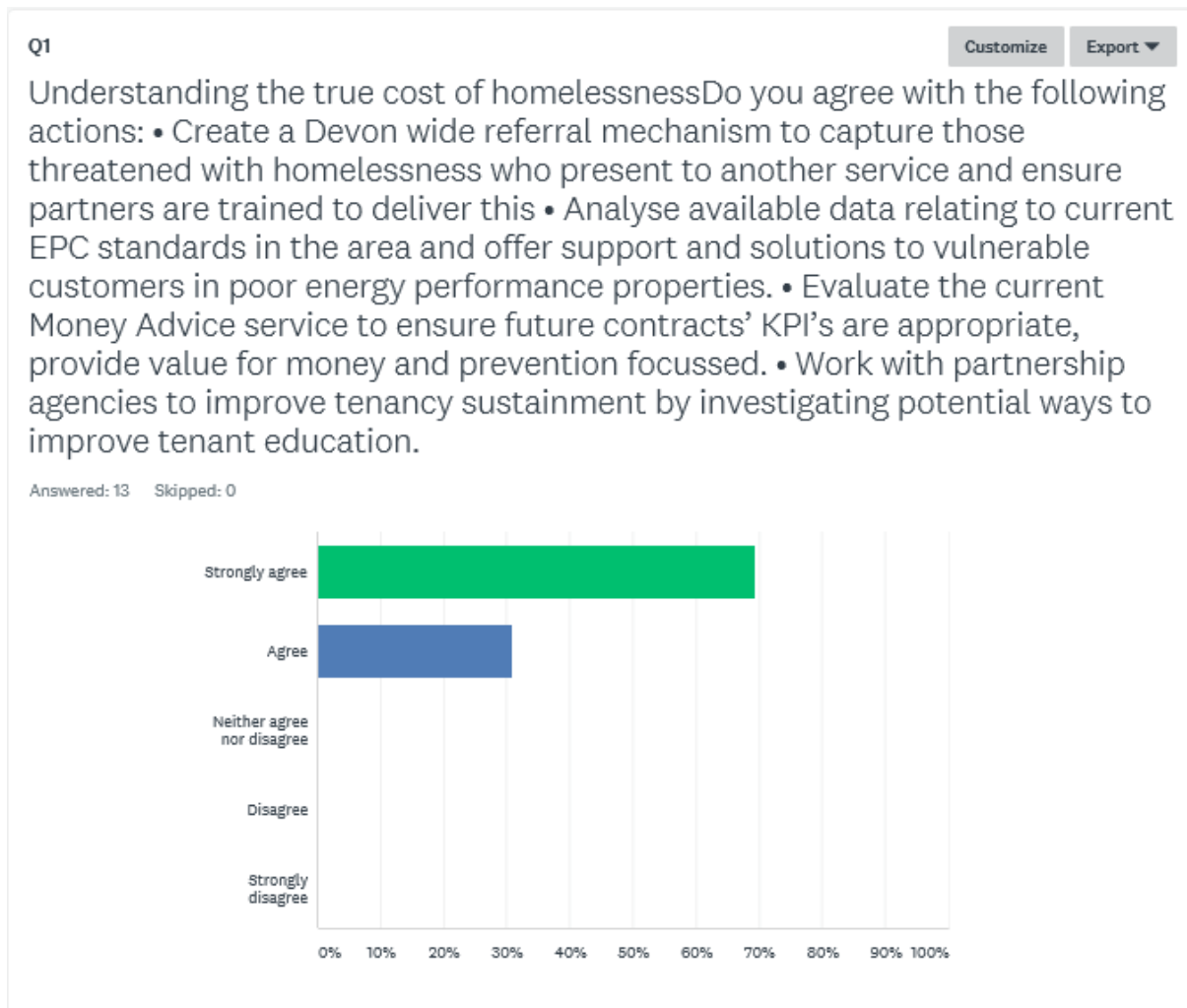
*Working together*



### **Appendix 3**

The Homelessness Forum event held on the 7<sup>th</sup> March 2018 included a presentation on the progress made to date on the 2017/18 Homeless Strategy Action Plan. Relevant partners were able to consult of the progress made to date and input into the identification of the challenges facing our local communities.

The 2018/19 Action Plan was developed following this event and relevant partners were invited to feedback on the proposed plan. A survey monkey was shared with attendees and the responses to the proposed 2018/19 Action plan were almost 100% agree or strongly agree. Details of the responses and the comments made are below.

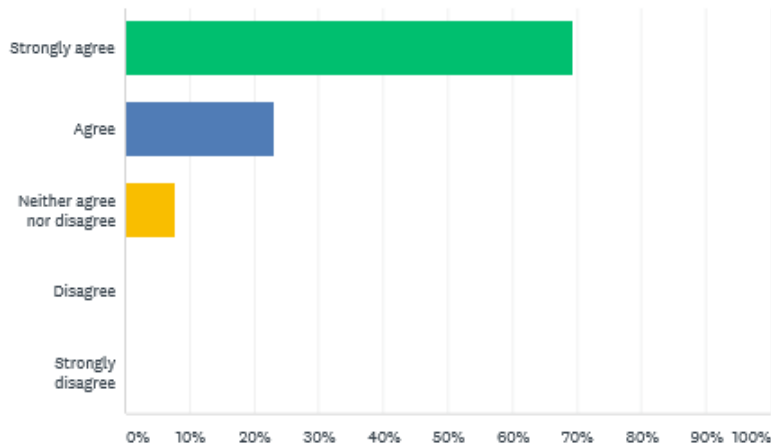


Q2

Customize Export

Access to Services Do you agree with the following actions: • Train all localities staff to support vulnerable customers with accessing housing options, housing benefits and the housing register. • Ensure all council employees are enabled to identify and report safeguarding issues using the appropriate channels. • Deliver focussed safeguarding training to front facing council employees including Localities and Customer Service officers. • Incorporate co location opportunities with partner agencies to strengthen partnership working • Increase referrals using the Right for Children to access Early Help

Answered: 13 Skipped: 0

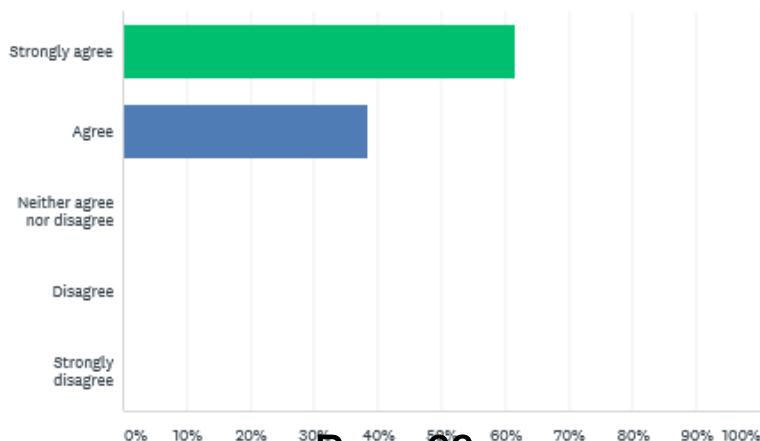


Q3

Customize Export

Access to Housing Do you agree with the following actions • Launch of letting scheme in West Devon – Seamoor Lettings • Re launch of letting scheme in South Hams under new name Seamoor Lettings to include expansion of accommodation provision and type. • Diversification of temporary accommodation portfolio to include HMO's, Single person accommodation and accommodation suitable for 16/17yr olds and care leavers • Maintain and improve on existing multi agency approaches to rough sleepers to ensure long term accommodation outcomes • Investigate innovative accommodation options as a route into sustainable housing for rough sleepers. • Deliver Landlord Forums to improve relationships with the private sector

Answered: 13 Skipped: 0



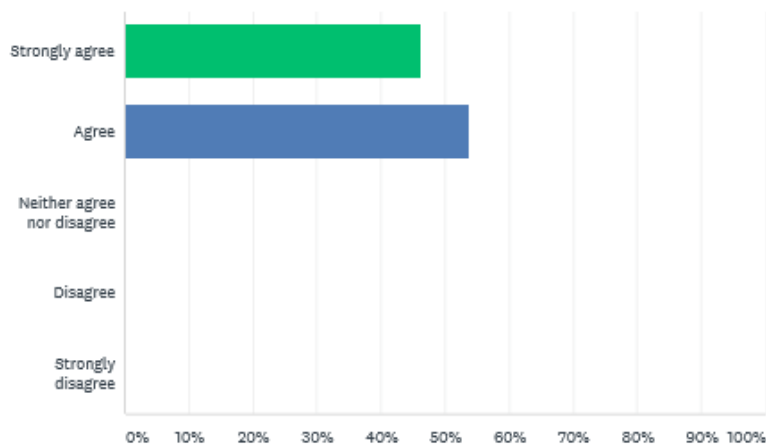
Q4

Customize

Export

Health and Wellbeing Do you agree with the following actions: • Expand on work with schools to create a housing advice presence and increase homelessness awareness in all schools in South Hams and West Devon • Maintain a tailored multi agency support for rough sleepers and those at risk of rough sleeping to ensure holistic approach to individual circumstances which is not accommodation dependant. • Launch the extended health and Wellbeing panel to focus on finding solutions for those requiring adapted accommodation. • Deliver a Vulnerable Customer Charter to ensure that the responsibility we have toward our most vulnerable customers is embedded within our Local Authorities and compliments Devon County Council's Better Together Initiative

Answered: 13 Skipped: 0



Q5

Export

Please comment on any areas you feel would benefit from additional focus

Answered: 3 Skipped: 10

RESPONSES (3)

TEXT ANALYSIS

TAGS

PAID FEATURE

Use text analysis to search and categorize responses; see frequently-used words and phrases. To use Text Analysis, upgrade to a paid plan .

UPGRADE

[Learn more >](#)

Add Tags

Filter by Tag

Search responses

Showing 3 responses

We are heartened that areas they have arisen that have concerned us are hopefully now being addressed. Thank you.

4/11/2018 4:00 PM

[View respondent's answers](#)

Access to housing register/housing options for those in rural communities and those who are unable to access internet/computers etc...

4/6/2018 1:01 PM

[View respondent's answers](#)

Drug and alcohol services to be pro-active in working with and engaging known rough sleepers who are not presenting to services with a plan addressing addiction and homelessness together whilst working together with community police officers.

4/4/2018 11:20 AM

[View respondent's answers](#)

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Report to: **West Devon Hub Committee**  
Date: **17<sup>th</sup> July 2018**  
Title: **Public Toilet review**  
Portfolio Area: **Environment Services (Cllr Robert Sampson)**  
Wards Affected: **All**  
Relevant Scrutiny Committee:

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

Date next steps can be taken: To be considered by Full Council on 24<sup>th</sup> July 2018  
*(e.g. referral on of recommendation or implementation of substantive decision)*

Author: **Cathy Aubertin** Role: **Operational Manager (Environment Services)**

Contact: [Cathy.Aubertin@swdevon.gov.uk](mailto:Cathy.Aubertin@swdevon.gov.uk)

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## Recommendations:

1. **That the Hub Committee considers the options for saving £50,000 on the public toilet budget, including:**
  - A. **Close, or devolve to Parish Councils, six facilities in rural locations. See appendix B (£63053 savings achieved):**
    - **Brentor**
    - **Bedford Bridge, Horrabridge**
    - **Chagford**
    - **Hatherleigh**
    - **Lydford**
    - **Yelverton**
  - B. **Close one facility in Okehampton and one in Tavistock, where other options are available. See appendix C (£75324 savings achieved):**
    - **Market Street, Okehampton**
    - **Bedford car park, Tavistock**

**C. Closure of low footfall facilities in rural locations coupled with Pay on Entry in high footfall areas. See appendix D (£63053 savings achieved and potential £22,000 income)**

**D. Close all public toilets as it is a discretionary service provided by the Council (this would achieve greater than the £50,000 saving required)**

**2. It is recommended that the Hub approve the progression of a joint procurement exercise to test the costs of pay on entry equipment, which can then be purchased promptly if required.**

## **1. Executive summary**

1.1 This report requests that Members consider the options for saving £50,000 on the public toilet budget.

## **2. Background**

2.1 This year, the Council faced a budget shortfall of £749,000 for 2019/ 20 (as per the Council Budget report of 20<sup>th</sup> February 2018) and, in order to help to address this challenge, Councillors set up their own Financial Stability Member group, to review areas where it was felt savings could be made. Clearly, the need to consider the continued provision of discretionary services is an area that both the Member group and officers must consider.

2.2 The Financial Stability Member group has modelled an indicative saving of £50,000 on the public toilet budget for 2019/ 20 to reflect the direction of travel they feel is needed for this discretionary service, and officers were requested to propose ways in which such a saving could be made.

2.3 Public toilets are currently provided in the following locations:

1. Bedford Bridge, Horrabridge
2. Brentor
3. Chagford
4. Hatherleigh
5. Lydford
6. Fairplace, Okehampton
7. Market Street, Okehampton
8. Princetown (Pay on Entry facility)
9. Bus Station, Tavistock
10. Bedford car park, Tavistock
11. Guildhall Square, Tavistock
12. Yelverton

- 2.4 The Overhead Budget for Public Toilets, excluding officer salary costs, totals almost £181,000 for this financial year, of which over half of that amount is committed to contract cleaning costs, with the remainder paying for other running costs, such as business rates, repairs and maintenance, energy and water. A breakdown of the budget is shown below:

Property repairs & maintenance	£32,678
Water	£29,330
Business rates	£16,638
Electricity	£11,156
Purchase/ repairs of equipment	£1,260
Other sundry expenses	£250
Rent/ contributions	£2,000
Contract cleaning costs	£99,303
Capital charge	£13,122
Income from Pay on Entry at Princetown	- £2,500
Other costs recovered from Town & Parish Councils	- £22,500

- 2.5 This is the last opportunity for Members to review the service as the current cleaning contract with FCC expires on 31<sup>st</sup> March 2019, and the provision of a possibly amended list of public toilets must be provided to Bidders who are tendering for the Council's Waste and Cleansing contract as a matter of urgency.

### 3. Outcomes/outputs

- 3.1 In order to achieve the required £50,000 saving it will be necessary to either devolve or close toilets and use pay on entry for any toilets with high footfall. See appendix A for total costings of the public conveniences from 2017/18
- 3.2 Some of the rural toilets, which are not frequented as often as the town centre facilities and which could be devolved to local communities for operation are:
- a) Bedford Bridge, Horrabridge
  - b) Brentor
  - c) Chagford
  - d) Hatherleigh
  - e) Lydford
  - f) Yelverton
- See appendix B for costings
- 3.3 Alternatively, the Council could look to close two of the town centre public toilets:
- Market Street, Okehampton
  - Bedford car park, Tavistock
- See appendix C for costings

- 3.4 Members will be aware that Assets Community of Practice are already in discussions with Okehampton Town Council in respect of the proposal to devolve Fairplace toilets to the Town Council.
- 3.5 Should Bedford car park toilets in Tavistock be closed, Members will be aware that alternative facilities are available at the nearby bus station.
- 3.6 Where closures are suggested and tenants share the existing building, the Council would commence dialogue as soon as possible to find a suitable outcome regarding the vacant space.
- 3.7 A further option would be to implement Pay on Entry in our facilities which have the most footfall. Pay on Entry is already in place in Princetown so it is recommended that this should be considered in:
- Chagford
  - Yelverton
  - Bedford car park, Tavistock (assuming option 3.2 is not resolved)
  - Guildhall Square, Tavistock
  - Bus Station, Tavistock
  - Fairplace, Okehampton

See appendix D for costings

- 3.8 It is estimated that income from the above facilities would be in the region of £20,000-£25000, although income would not be generated until the machinery is in place and this requires a tendered procurement. Should the installation take place in 2018/19, given the timeframe for procurement and installation it is unlikely that any more than £5,000-£7000 income would be generated in this financial year. The Bus Station facilities are included only to ensure that not all customers migrate there to avoid paying the entry fee. It may be worth considering closing this facility, resulting in a saving of approximately £17,000.
- 3.9 In addition, there would be a requirement for capital funding to be provided, anticipated to be in the region of £50,000 – £75,000, based upon the cost of recent installations in South Hams.
- 3.10 The capital sum required to provide the pay on entry equipment could be funded by the Strategic Change Earmarked Reserve, which currently has an uncommitted balance of £286,000.
- 3.11 If the facilities listed in paragraph 3.6 above were to become Pay on Entry facilities, it is anticipated that the capital expenditure would be repaid within three years, taking into consideration possible vandalism costs.

#### 4. Options available and consideration of risk

4.1 Members are requested to consider the above options and give officers a steer on how they wish to proceed.

#### 5. Proposed Way Forward

5.1 Officers will proceed in accordance with the recommendation resolved by Members. In case it is resolved to proceed with Pay on Entry, the facilities are included in the tender process already in train in South Hams, which will give the project a head start, enabling installation of Pay on Entry equipment to commence in the autumn, so that income generation can also commence at an early stage. Tender documentation makes it clear that not all facilities included may proceed to procurement.

#### 6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		
Financial		Possible capital funding requirement of £50 - £75,000, which may be funded by the Strategic Change Earmarked Reserve.  Saving to budget as requested of £50k.
Risk		There may be some concern from customers, which would present a reputational risk. However, it should be noted that more and more authorities are implementing Pay on Entry systems so more people are aware of them and use them than ever before.
Comprehensive Impact Assessment Implications		
Equality and Diversity		A comprehensive impact assessment has been completed in respect of this matter which shows that, should Pay on Entry be implemented, there would be positive discrimination in respect of disabled customers, who would be able to enter a disabled facility using a Radar key, therefore not paying the entry fee. Eliminating this discrimination would increase costs to install equipment, and is not considered necessary at this stage.

Safeguarding		No implications.
Community Safety, Crime and Disorder		There is potential for vandalism of public toilets to be reduced should Pay on Entry be implemented, due to the requirement to pay a fee to gain entry.  However, experience has shown that the Pay on Entry equipment could be a target for vandalism during the first few months of operation.
Health, Safety and Wellbeing		No implications.
Other implications		None.

**Supporting Information**

Appendix A – Public Toilet Cost Allocation for 2017/18;  
Appendix B – Rural Location Public Toilet Costings 2017/18;  
Appendix C – Market Street and Bedford Toilet Costings 2017/18;  
and  
Appendix D – Rural Location Public Toilet Costings 2017/18.

## Appendix A

### Public toilet cost allocation for 2017/18

#### Total Public Toilet Cost allocation 2017/18

Facility	% of costs (other than cleaning)	WDBC staff & vehicle costs	Cleaning costs	Repairs/maintenance/vandalism costs	Electricity	Business rates	Water charges	Grounds maint	Miscellaneous costs	Rent	Internal recharges	Capital charges	Parish contributions	Pay on entry scheme	Total
Bedford Bridge	4.10	£3,580	£3,360	£1,648	£329	£2,544	£1,459	£31	£1		£223	£476			£13,650
Brentor	0.77	£672	£633	£309	£62	£792	£274	£6	£0		£42	£89			£2,880
Chagford	6.40	£5,589	£5,244	£2,572	£514	£600	£2,277	£48	£1	£470	£348	£743	-£1,772		£16,634
Hatherleigh	2.09	£1,825	£1,245	£840	£168	£684	£744	£16	£0		£114	£243	-£1,105		£4,773
Lydford	1.76	£1,537	£1,443	£707	£141	£720	£626	£13	£0		£96	£204			£5,489
Okehampton - Fairplace	13.98	£12,209	£11,450	£5,619	£1,123	£1,200	£4,974	£104	£2		£761	£1,623	-£3,649		£35,415
Okehampton - Market Street	9.99	£8,724	£8,178	£4,015	£802	£2,256	£3,554	£74	£1		£544	£1,160	-£2,608		£26,702
Princetown	13.98	£12,209	£11,450	£5,619	£1,123	£2,928	£4,974	£104	£2		£761	£1,623	-£3,457	-£3,030	£34,305
Tavistock - Bus Station	5.99	£5,231	£4,907	£2,408	£481	£1,776	£2,131	£45	£1		£326	£695	-£928		£17,073
Tavistock - Bedford	15.98	£13,955	£13,086	£6,423	£1,283	£2,736	£5,685	£119	£2		£870	£1,855	-£2,475		£43,539
Tavistock - Guildhall Square	19.97	£17,440	£16,357	£8,027	£1,604	£2,496	£7,105	£149	£3		£1,087	£2,319	-£3,094		£53,491
Yelverton - roundabout	4.99	£4,358	£4,089	£2,006	£401	£3,233	£1,775	£37	£1		£272	£579	-£2,932		£13,818
	<b>100.00</b>	<b>£87,329</b>	<b>£81,442</b>	<b>£40,193</b>	<b>£8,031</b>	<b>£15,624</b>	<b>£35,576</b>	<b>£745</b>	<b>£14</b>	<b>£470</b>	<b>£5,443</b>	<b>£11,610</b>	<b>-£22,020</b>	<b>-£3,030</b>	<b>£267,768</b>

Facility cleaned by Pari

#### Total Public Toilet Costs Minus Income 2017/18

Facility	% of costs (other than cleaning)	WDBC staff & vehicle costs	Cleaning costs	Repairs/maintenance/vandalism costs	Electricity	Business rates	Water charges	Grounds maint	Miscellaneous costs	Rent	Internal recharges	Capital charges	total
Bedford Bridge	4.10	£3,580	£3,360	£1,648	£329	£2,544	£1,459	£31	£1		£223	£476	£13,650
Brentor	0.77	£672	£633	£309	£62	£792	£274	£6	£0		£42	£89	£2,880
Chagford	6.40	£5,589	£5,244	£2,572	£514	£600	£2,277	£48	£1	£470	£348	£743	£18,406
Hatherleigh	2.09	£1,825	£1,245	£840	£168	£684	£744	£16	£0		£114	£243	£5,878
Lydford	1.76	£1,537	£1,443	£707	£141	£720	£626	£13	£0		£96	£204	£5,489
Okehampton - Fairplace	13.98	£12,209	£11,450	£5,619	£1,123	£1,200	£4,974	£104	£2		£761	£1,623	£39,064
Okehampton - Market Street	9.99	£8,724	£8,178	£4,015	£802	£2,256	£3,554	£74	£1		£544	£1,160	£29,310
Princetown	13.98	£12,209	£11,450	£5,619	£1,123	£2,928	£4,974	£104	£2		£761	£1,623	£40,792
Tavistock - Bus Station	5.99	£5,231	£4,907	£2,408	£481	£1,776	£2,131	£45	£1		£326	£695	£18,001
Tavistock - Bedford	15.98	£13,955	£13,086	£6,423	£1,283	£2,736	£5,685	£119	£2		£870	£1,855	£46,014
Tavistock - Guildhall Square	19.97	£17,440	£16,357	£8,027	£1,604	£2,496	£7,105	£149	£3		£1,087	£2,319	£56,584
Yelverton - roundabout	4.99	£4,358	£4,089	£2,006	£401	£3,233	£1,775	£37	£1		£272	£579	£16,750
<b>Total</b>	<b>100.00</b>	<b>£87,329</b>	<b>£81,442</b>	<b>£40,193</b>	<b>£8,031</b>	<b>£15,624</b>	<b>£35,576</b>	<b>£745</b>	<b>£14</b>	<b>£470</b>	<b>£5,443</b>	<b>£11,610</b>	<b>£292,818</b>

#### Total Public Toilet Income 2017/18

Facility	Parish contributions	Pay on entry scheme
Bedford Bridge		

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## Appendix B

### Rural Location Public Toilet Costings 2017/18

Facility	% of costs (other than cleaning)	WDBC staff & vehicle costs	Cleaning costs	Repairs/maintenance/vandalism costs	Electricity	Business rates	Water charges	Grounds maint	Miscellaneous costs	Rent	Internal recharges	Capital charges	total
Bedford Bridge	4.10	£3,580	£3,360	£1,648	£329	£2,544	£1,459	£31	£1		£223	£476	£13,650
Brentor	0.77	£672	£633	£309	£62	£792	£274	£6	£0		£42	£89	£2,880
Chagford	6.40	£5,589	£5,244	£2,572	£514	£600	£2,277	£48	£1	£470	£348	£743	£18,406
Hatherleigh	2.09	£1,825	£1,245	£840	£168	£684	£744	£16	£0		£114	£243	£5,878
Lydford	1.76	£1,537	£1,443	£707	£141	£720	£626	£13	£0		£96	£204	£5,489
Yelverton - roundabout	4.99	£4,358	£4,089	£2,006	£401	£3,233	£1,775	£37	£1		£272	£579	£16,750
<b>total</b>	<b>20.11</b>	<b>£17,562</b>	<b>£16,014</b>	<b>£8,083</b>	<b>£1,615</b>	<b>£8,573</b>	<b>£7,154</b>	<b>£150</b>	<b>£3</b>	<b>£470</b>	<b>£1,095</b>	<b>£2,335</b>	<b>£63,053</b>

### Rural Location Public Toilet Income 2017/18 - income lost if facilities closed

Facility	Parish contributions	Pay on entry scheme
Bedford Bridge		
Brentor		
Chagford	-£1,772	
Hatherleigh	-£1,105	
Lydford		
Yelverton - roundabout	-£2,932	
<b>total</b>	<b>-£5,809</b>	

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## Appendix C

### Market Street & Bedford Toilet Costings 2017/18

Facility	% of costs (other than cleaning)	WDBC staff & vehicle costs	Cleaning costs	Repairs/maintenance/vandalism costs	Electricity	Business rates	Water charges	Grounds maint	Miscellaneous costs	Rent	Internal recharges	Capital charges	total
Okehampton - Market Street	9.99	£8,724	£8,178	£4,015	£802	£2,256	£3,554	£74	£1		£544	£1,160	£29,310
Tavistock - Bedford	15.98	£13,955	£13,086	£6,423	£1,283	£2,736	£5,685	£119	£2		£870	£1,855	£46,014
<b>total</b>	<b>25.97</b>	<b>£22,679</b>	<b>£21,264</b>	<b>£10,438</b>	<b>£2,086</b>	<b>£4,992</b>	<b>£9,239</b>	<b>£193</b>	<b>£4</b>		<b>£1,414</b>	<b>£3,015</b>	<b>£75,324</b>

### Market Street & Bedford Toilet Costings 2017/18

Facility	Parish contributions	Pay on entry scheme
Okehampton - Market Street	-£2,608	
Tavistock - Bedford	-£2,475	
<b>total</b>	<b>-£5,083</b>	

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## Appendix D

### Rural Location Public Toilet Costings 2017/18

Facility	% of costs (other than cleaning)	WDBC staff & vehicle costs	Cleaning costs	Repairs/maintenance/vandalism costs	Electricity	Business rates	Water charges	Grounds maint	Miscellaneous costs	Rent	Internal recharges	Capital charges	total
Bedford Bridge	4.10	£3,580	£3,360	£1,648	£329	£2,544	£1,459	£31	£1		£223	£476	£13,650
Brentor	0.77	£672	£633	£309	£62	£792	£274	£6	£0		£42	£89	£2,880
Chagford	6.40	£5,589	£5,244	£2,572	£514	£600	£2,277	£48	£1	£470	£348	£743	£18,406
Hatherleigh	2.09	£1,825	£1,245	£840	£168	£684	£744	£16	£0		£114	£243	£5,878
Lydford	1.76	£1,537	£1,443	£707	£141	£720	£626	£13	£0		£96	£204	£5,489
Yelverton - roundabout	4.99	£4,358	£4,089	£2,006	£401	£3,233	£1,775	£37	£1		£272	£579	£16,750
<b>total</b>	<b>20.11</b>	<b>£17,562</b>	<b>£16,014</b>	<b>£8,083</b>	<b>£1,615</b>	<b>£8,573</b>	<b>£7,154</b>	<b>£150</b>	<b>£3</b>	<b>£470</b>	<b>£1,095</b>	<b>£2,335</b>	<b>£63,053</b>

### Rural Location Public Toilet Income 2017/18 - income lost if facilities closed

Facility	Parish contributions	Pay on entry scheme
Bedford Bridge		
Brentor		
Chagford	-£1,772	
Hatherleigh	-£1,105	
Lydford		
Yelverton - roundabout	-£2,932	
<b>total</b>	<b>-£5,809</b>	

### Estimated Income from Pay on Entry

Facility	£

Fairplace, Okehampton	6000
Bedford car park, Tavistock	5000
Guildhall Square, Tavistock	3000
Bus Station, Tavistock	3000
Chagford	3000
Yelverton	2000
<b>Total</b>	<b>22000</b>

Report to: **Hub Committee**

Date: **17 July 2018**

Title: **Write Off Report**

Portfolio Area: **Resources and Performance**

Wards Affected: **All**

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

Date next steps can be taken: **After Call In  
25 July 2018**

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

Contact: **Ext. 3644 lisa.buckle@swdevon.gov.uk**

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## **Recommendations:**

The Committee notes that, in accordance with Financial Regulations, the s151 Officer has authorised the write-off of individual West Devon Borough Council debts totalling £138,361.73 as detailed in Tables 1 and 2.

The Committee approves the write off of individual debts in excess of £5,000 totalling £46,248.19, as detailed in Table 3.

## **1. Executive summary**

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

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

This report covers the period 1<sup>st</sup> January 2018 to 31<sup>st</sup> March 2018.

## **2. Background**

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

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

West Devon Borough Council's collection rates for 2016/17 were; Council Tax 97.3% & Business Rates 97.7%.

In the final quarter of 2017/18 the Council has collected £5.1 million in Council Tax and £1.5 million in Business Rates. The total collectable debt for 2017/18 (as at 31<sup>st</sup> March) for Council Tax is £37.2 million and for Business Rates is £10.5 million.

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

Following the centralisation of debt recovery into one service from October 2017 and the implementation of the Debt Recovery Action Plan, uncollectible debt of £85,064.24 has been identified and is reflected within this Quarter 4 report. This debt has been provided for in full in the 2017/18 bad debt provision.

## **3. Outcomes/outputs**

In accordance with good financial management principles the Council has, for the revenue streams detailed in this report, made a total bad debt provision of £2,152,102.79. This provision recognises that a proportion of the Authority's debts will prove irrecoverable and ensures that the value of debtors within the Authority's accounts is a fair reflection of the amount that will eventually be recovered.

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

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

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



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

The Service has access to Experian’s Citizenview database which is currently the most reliable means of tracing absconded debtors. Each case is checked against this system before a decision is taken to write off the debt. A periodic review of write offs against this system may also be carried out to resurrect debts where appropriate.

#### 4. Proposed Way Forward

The Committee approves the write off of individual debts in excess of £5,000 as detailed in Table 3.

#### 5. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		The relevant powers for this report are contained within the following legislation;  Section 151 Local Government Act 1972 Section 44 Local Government Finance Act 1988 (Non Domestic Rate) Section 14 Local Government Finance Act 1992 (Council Tax)
Financial		West Devon Borough Council debts totalling £184,609.92 to be written-off
Risk	Reputation          Write Off	Any risk to reputation is managed carefully by prompt recovery of amounts due wherever possible.  This risk is also mitigated by taking a balanced view and ensuring that resources are not expended on debts which are not cost effective to pursue  The obvious risk of debtors subsequently being able to pay a debt which has been written off is mitigated by the activity outlined in issues for consideration.  Any individual debt exceeding £5,000 is referred to members for consideration prior to write-off which accords with Financial regulations.
Comprehensive Impact Assessment Implications		

Equality and Diversity		All enforcement action that is taken prior to this point is undertaken in accordance with legislation and accepted procedures to ensure no discrimination takes place.
Safeguarding		None
Community Safety, Crime and Disorder		None
Health, Safety and Wellbeing		None
Other implications		A bad debt provision is built into the financial management of the Authority

### **Supporting Information**

#### **Appendices:**

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

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

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

Table 4 – National & Local Collection Statistics re 2016 / 17 Collection Rates

Table 5 – Quarterly income in 2016 / 17 relating to all years

Table 6 – Previous Year Write Off Totals

#### **Background Papers:**

Section 151 Local Government Act 1972

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

Section 14 Local Government Finance Act 1992 (Council Tax)

Recovery Policy

### **Approval and clearance of report**

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

**TABLE 1 SUMMARY OF WEST DEVON BOROUGH COUNCIL DEBT UNDER £5,000 WRITTEN OFF BY S151 OFFICER**

TYPE OF DEBT	NUMBER OF CASES	REASON FOR W/OFF	Financial Year 2017/18			Totals for Comparison purposes			
			Quarter 4	Cumulative Total		Equivalent Quarter 2016/17		Grand Total 2016/17	
			Amount (£)	Cases	Amount	Cases	Amount	Cases	Amount
<b>HOUSING BENEFIT</b>	17	Overpaid Entitlement	11,791.75	75	33,850.74	41	17,627.41	55	24,956.71
<b>COUNCIL TAX BENEFIT</b>	2	Bankruptcy/DRO/IVA/CVA etc	1,199.03	11	9,577.59	2	1,280.02	3	1,392.42
	-	Deceased	-	4	5,323.58	1	923.45	1	923.45
	5	Other	307.97	5	307.97	-	-	-	-
	-	Absconded	-	-	-	1	172.00	1	172.00
	12	Not Cost Effective to Pursue	208.67	30	383.46	14	253.48	19	821.33
	-	Uncollectable Old Debt	-	108	68,017.77	1	75.81	1	75.81
Total	36		13,507.42	233	117,461.11	60	20,332.17	80	28,341.72
<b>COUNCIL TAX</b>	7	Absconded	8,732.75	27	30,193.39	31	24,759.64	54	37,523.84
	20	Bankruptcy/DRO/IVA/CVA etc	27,644.15	37	45,876.94	27	28,477.58	33	32,604.84
	4	Deceased	1,008.19	8	2,942.55	3	4,453.16	8	8,941.58
	10	Other	2,111.08	16	4,975.27	4	919.02	12	6,423.34
	3	Small Balance	61.44	6	138.46	2	5.22	2	5.22
	-	Uncollectable Old Debt	-	-	-	-	-	-	-
	-	Administration	-	1	1,691.73	-	-	-	-
Total	44		39,557.61	95	85,818.34	67	58,614.62	109	85,498.82
<b>SUNDRY DEBTS</b>	-	Small Balance		-	-	-	-	1	0.01
	-	Bankrupt/DRO/IVA/CVA etc		-	-	-	-	-	-
	-	Not Cost Effective to Pursue		-	-	-	-	-	-
	234	Uncollectable Old Debt	85,064.24	234	85,064.24	41	15,855.00	41	15,855.00
	-	Absconded		-	-	-	-	-	-
	-	Other		-	-	-	-	1	40.00
Total	234			234	85,064.24	41	15,855.00	43	15,895.01
<b>Grand Total</b>	<b>314</b>		<b>138,129.27</b>	<b>562</b>	<b>288,343.69</b>	<b>168</b>	<b>94,801.79</b>	<b>191</b>	<b>129,735.55</b>

**Breakdown of Absconded Council Tax Debt  
(Some cases have debts over more than one year)**

Year	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09	Pre 2008/09	Total
<b>Value</b>	-	1	1	3	3	3	4	2	-	-	-	17
<b>Number</b>	-	711.69	351.93	1,035.44	1,716.73	2,352.26	1,515.43	1,049.27	-	-	-	8,732.75

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

TYPE OF DEBT	NUMBER OF CASES	REASON FOR W/OFF	Financial Year 2017/18			Totals for Comparison purposes			
			Quarter 4		Cumulative Total	Equivalent Quarter 2016/17		Grand Total 2016/17	
			Amount (£)	Cases		Cases	Amount	Cases	Amount
<b>NON-DOMESTIC RATE</b>	1	Bankruptcy/DRO/IVA/CVA etc	232.46	1	232.46	1	1,140.33	3	5,804.15
	-	Absconded	-	5	1,254.53	1	304.44	1	304.44
	-	Deceased	-	-	-	-	-	-	-
	-	Liquidation	-	2	4,416.43	-	-	-	-
	-	Other	-	3	2,972.72	-	-	2	4,407.15
	-	Small Balance	-	-	-	1	2.00	1	2.00
	-	Uncollectable Old Debt	-	-	-	-	-	-	-
	-	Administrative Receivership	-	-	-	-	-	-	-
<b>Total</b>	<b>1</b>		<b>232.46</b>	<b>11</b>	<b>8,876.14</b>	<b>3</b>	<b>1,446.77</b>	<b>7</b>	<b>10,517.74</b>

**TABLE 3 SUMMARY OF ITEMS OVER £5000 WHERE PERMISSION TO WRITE OFF IS REQUESTED**

TYPE OF DEBT	NUMBER OF CASES	REASON FOR W/OFF	Financial Year 2017/18			Totals for Comparison purposes			
			Quarter 4		Cumulative Total	Equivalent Quarter 2016/17		Grand Total 2016/17	
			Amount (£)	Cases		Cases	Amount	Cases	Amount
<b>NON-DOMESTIC RATE</b>	1	Liquidation	7,561.62	1	7,561.62	-	-	3	29,217.16
	-	Administrative Receivership	-	-	-	-	-	-	-
	-	Absconded	-	-	-	-	-	-	-
	-	Bankruptcy/DRO/IVA/CVA etc	-	-	-	-	-	-	-
	-	Deceased	-	-	-	-	-	-	-
	-	Other	-	-	-	-	-	-	-
<b>Total</b>	<b>1</b>		<b>7,561.62</b>	<b>1</b>	<b>7,561.62</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>29,217.16</b>
<b>HOUSING BENEFIT</b>	-	Bankruptcy/DRO/IVA/CVA etc	-	1	5,898.04	1	5,898.04	1	5,898.04
	1	Absconded	11,228.53	1	11,228.53	-	-	-	-
	-	Deceased	-	-	-	-	-	1	9,787.06
<b>Total</b>	<b>1</b>		<b>11,228.53</b>	<b>2</b>	<b>17,126.57</b>	<b>1</b>	<b>5,898.04</b>	<b>2</b>	<b>15,685.10</b>
<b>COUNCIL TAX</b>	3	Bankruptcy/DRO/IVA etc.	27,458.04	3	27,458.04	-	-	-	-
	-	Absconded	-	-	-	-	-	-	-
<b>Total</b>	<b>3</b>		<b>27,458.04</b>	<b>3</b>	<b>27,458.04</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total</b>	<b>5</b>		<b>46,248.19</b>	<b>6</b>	<b>52,146.23</b>	<b>1</b>	<b>5,898.04</b>	<b>5</b>	<b>44,902.26</b>

**TABLE 4 NATIONAL & LOCAL COLLECTION STATISTICS RE 2016-17 COLLECTION RATES**

Total amount collected in 2016-17 relating to 2016-17 financial year only (net of refunds relating to 2016-17)

	Council Tax			Non Domestic Rates		
	Collectable Debit i.r.o. 16/17 - £000s	Net Cash Collected* i.r.o. 16/17 - £000s	Amount Collected i.r.o. 16/17 - %age	Collectable Debit i.r.o. 16/17 - £000s	Net Cash Collected* i.r.o. 16/17 - £000s	Amount Collected i.r.o. 16/17 - %age
All England	26,797,092	26,038,596	97.2	24,643,214	24,205,471	98.2
Shire Districts	12,285,320	12,047,031	98.1	7,988,405	7,861,058	98.4
East Devon	94,072	93,145	99.0	35,024	34,571	98.7
Exeter	58,500	56,631	96.8	81,594	79,281	97.2
Mid Devon	47,266	46,369	98.1	15,924	15,793	99.2
North Devon	55,106	53,567	97.2	32,249	30,995	96.1
Plymouth	112,379	108,918	96.9	94,732	93,726	98.9
South Hams	62,914	61,729	98.1	32,850	31,808	96.8
Teignbridge	79,657	78,492	98.5	32,897	32,701	99.4
Torbay	70,863	67,673	95.5	38,589	37,279	96.6
Torrige	38,659	37,965	98.2	11,617	11,387	98.0
<b>West Devon</b>	<b>35,504</b>	<b>34,529</b>	<b>97.3</b>	<b>11,328</b>	<b>11,068</b>	<b>97.7</b>

\* Net Cash Collected is total 2016-17 receipts net of refunds paid, in respect of 2016-17 only

**TABLE 5 QUARTERLY INCOME IN 2016-17 RELATING TO ALL YEARS**

Total amount collected in 2016-17 relating to any financial year (net of all refunds in 2016-17)

	Council Tax Net Cash Collected* £000s	Non Domestic Rates Net Cash Collected* £000s
Quarter 1 - Receipts collected between 1 <sup>st</sup> April – 30 <sup>th</sup> June	10,425	3,742
Quarter 2 - Receipts collected between 1 <sup>st</sup> July – 30 <sup>th</sup> September	9,832	2,829
Quarter 3 - Receipts collected between 1 <sup>st</sup> October – 31 <sup>st</sup> December	9,902	2,450
Quarter 4 - Receipts collected between 1 <sup>st</sup> January – 31 <sup>st</sup> March	4,762	1,338

\* Net Cash Collected is total receipts in 2016-17 net of refunds paid, irrespective of the financial year (previous, current or future years) to which they relate

**TABLE 6 PREVIOUS YEAR WRITE OFF TOTALS**

		2016 - 17	2015 - 16	2014 - 15	2013- 14	2012 - 13	2011 - 12
HOUSING BENEFIT	Under £5,000 cases	28,341.72	37,800.00	77,477.87	48,315.96	47,636.80	21,103.31
HOUSING BENEFIT	£5,000 or over cases	15,685.10	15,685.10	25,488.58	0.00	0.00	0.00
Total		44,026.82	53,485.10	102,966.45	48,315.96	47,636.80	21,103.31
COUNCIL TAX	Under £5,000 cases	85,498.82	60,159.32	67,271.83	33,385.96	199,475.48	133,748.27
COUNCIL TAX	£5,000 or over cases	-	0.00	5,265.60	15,940.10	25,924.46	5,658.27
Total		85,498.82	60,159.32	72,537.43	49,326.06	225,399.94	139,406.54
SUNDRY DEBTS	Under £5,000 cases	15,895.01	3,020.15	887.47	818.09	4,449.99	5,719.72
SUNDRY DEBTS	£5,000 or over cases	-	-	0.00	0.00	0.00	0.00
Total		15,895.01	3,020.15	887.47	818.09	4,449.99	5,719.72
NON DOMESTIC RATES	Under £5,000 cases	10,517.74	6,650.00	17,699.12	35,095.48	18,780.31	32,463.90
NON DOMESTIC RATES	£5,000 or over cases	29,217.16	29,217.16	89,506.07	38,882.41	26,680.71	55,949.62
Total		39,734.90	35,867.16	107,205.19	73,977.89	45,461.02	88,413.52
GRAND TOTAL		185,155.55	152,531.73	283,596.54	172,438.00	322,947.75	254,643.09