

West Devon Hub Committee



West Devon
Borough
Council

Title:	Agenda
Date:	Tuesday, 30th June, 2020
Time:	2.00 pm
Venue:	Remote- Skype Meeting
Full Members:	<p style="text-align: center;">Chairman Cllr Jory Vice Chairman Cllr Samuel</p> <p><i>Members:</i> Cllr Edmonds Cllr Moody Cllr Mott Cllr Pearce Cllr Leech Cllr Sellis Cllr Cheadle</p>
Interests – Declaration and Restriction on Participation:	Members are reminded of their responsibility to declare any disclosable pecuniary interest not entered in the Authority's register or local non pecuniary interest which they have in any item of business on the agenda (subject to the exception for sensitive information) and to leave the meeting prior to discussion and voting on an item in which they have a disclosable pecuniary interest.
Committee administrator:	Democratic.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

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Minutes of meeting held 28 January 2020

5. Public Questions

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

6. Hub Committee Forward Plan

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7. Council Response and Recovery to the Covid-19 Crisis –To follow

8. Revenue Budget Monitoring for April and May 2020

13 - 40

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.”

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Committee section on 01822 813664 or email
janice.young@swdevon.gov.uk

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Agenda Item 4

At a Meeting of the **HUB COMMITTEE** held at the Council Chambers, Kilworthy Park, **TAVISTOCK** on **TUESDAY** the **28th** day of **January 2020** at **2:00 pm**

Present: Cllr N Jory – Chairman
Cllr L Samuel – Vice Chairman

Cllr R Cheadle	Cllr C Edmonds
Cllr A F Leech	Cllr J Moody
Cllr C Mott	Cllr T G Pearce
Cllr D K A Sellis	

In attendance: Chief Executive
Deputy Chief Executive
Director of Place and Enterprise
Section 151 Officer
Head of Development Management
Senior Specialists (carparks)
Specialist Democratic Services

Other Members in attendance:

Cllrs M Davies, P Crozier; N Heyworth; D Moyse; R Musgrave; M Renders; J Yelland

***HC 62 DECLARATIONS OF INTEREST**

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

Cllr Jory declared a personal interest in agenda item 9 '*Revenue Budget Proposals for 2020-21*' (Minute HC 68 below refers) as he is employed by Business Information Point and remained in the meeting and took part in the debate and vote on this matter.

***HC 63 MINUTES**

The Minutes of the Hub Committee meeting held on 17 December 2019 were confirmed, and signed by the Chairman, as a correct record.

***HC 64 PUBLIC QUESTION TIME**

There were no questions submitted by the Public

***HC 65 HUB COMMITTEE FORWARD PLAN**

Members were presented with the Hub Committee Forward Plan setting out items on the agenda for Hub Committee meetings for the next four months.

The contents of the Forward Plan were agreed. By way of an update, the Chairman advised that he had agreed that the next Committee meeting on the 17 March 2020 would be cancelled.

HC 66 REVENUE BUDGET MONITORING REPORT Q3

The Lead Member for Performance and Resources presented the Committee with a report that enabled them to monitor income and expenditure variations

against the approved budget for 2019/20, and provided a forecast for the year end position.

It was then **RESOLVED** that:

- (i) the forecast income and expenditure variations for the 2019/20 financial year and the overall projected underspend of £46,000 be noted
- (ii) Council be **RECOMMENDED** to transfer £30,000 of the Homelessness Prevention under-spend into the Homelessness Prevention Earmarked Reserve at the end of the 2019/20 financial year.

***HC 67 CAPITAL BUDGET MONITORING 2019/20 Q3**

Members were presented with a report that advised them of the financial position as at 31 December 2019 for the purposes of budget monitoring. All capital projects were within the individual capital budgets approved by Members. The total capital budget for 2019/20 was £7,532,193 of which £861,955 had been spent to date (as set out in Appendix A of the presented agenda report).

It was then **RESOLVED** that the contents of the report be endorsed.

HC 68 REVENUE BUDGET PROPOSALS FOR 2020/21

The Leader presented Members with a report that set out the latest budget position for the Revenue Budget for 2020/21 and highlighted specific points for consideration. The Leader and S151 Officer responded to a number of questions of clarity. Members requested that a draft Press Release on the Council's budget is emailed to all Members ahead of the Full Council meeting on 18th February.

Members discussed the role of the proposed new Economy Officer post and how it would have clear outputs to be measured against, thus ensuring the post aimed to generate enough income to cover its costs. A Job Description would be emailed to all Members, which Members requested include a reference to agriculture and diversification.

It was then **RESOLVED** that the Hub Committee **RECOMMEND** to Council:

- i) The increase in Council Tax for 2020/21 of £5 (Band D of £236.63 for 2020/21 – an increase of 10 pence per week or £5 per year – equates to a 2.16% increase).
- ii) The financial pressures shown in Appendix A of £663,500
- iii) The contributions to Earmarked Reserves of £87,500
- iv) The savings of £530,200 as shown in Appendix A
- v) The use of £228,135 of New Homes Bonus funding to fund the 2020/21 Revenue Budget as set out in 2.20 of the report
- vi) To maintain the deficit recovery period of the Pension Deficit at 17 years (as per 2.26)

- vii) The inclusion of an Economy post (shared with South Hams District Council) within the staffing establishment, as set out in section 1.7.
- viii) To delegate to the S151 Officer, in consultation with the Leader and Deputy Leader to agree the final amount of New Homes Bonus funding for the Dartmoor National Park Sustainable Community Fund for 2020/21.
- ix) That a collection fund surplus of £67,000 is utilised in 2020/21.
- x) That the Total Net Expenditure of the Council is £7,211,895 for 2020/21.
- xi) That the level of reserves as set out within this report and the assessment of their adequacy and the robustness of budget estimates be noted. This is a requirement of Part 2 of the Local Government Act 2003.

The Hub Committee also **RECOMMEND** to Council the Fees and Charges below which form part of the Revenue Budget Proposals for 2020/21:

- xii) To approve the proposed Environmental Health charges in Appendix D.
- xiii) To approve the proposed unchanged fees and charges set out for Development Management in Appendix C.
- xiv) To approve that charges be introduced for the use of the existing electric charging points at Kilworthy Park.
- xv) To approve the introduction of Proof of Life charges with immediate effect, once approval from Members has been received as set out in paragraph 5.13.
- xvi) To approve the changes to S257 Footpath Diversion Orders charges with immediate effect, once approval from Members has been received as set out in paragraph 5.14.
- xvii) To approve the proposals to increase charges to Parish and Town Councils for the emptying of dog waste and litter bins as set out in paragraph 5.15.
- xviii) Delegated authority is given to the Section 151 Officer and the Portfolio Holder to set the Local Land Charges as appropriate for cost recovery.

HC 69 CAPITAL BUDGET PROPOSALS 2020/21

Members were presented with a report that set out the Capital Programme proposals for 2020/21.

It was then **RESOLVED** that Hub Committee **RECOMMEND** to Council that approval be given to:

- i) The Capital Programme for 2020/21, which totals £910,000 (Appendix A);
- ii) The Capital Programme for 2020/21, which totals £140,000 (Exempt Appendix C); and
- iii) The funding of the 2020/21 Capital Programme of £1,050,000 from the funding sources set out in Section 4.

***HC 70**

WRITE OFF REPORT Q3

Members were presented with a report that informed them of the debt written off for revenue streams within the Revenue and Benefits service. Debts up to the value of £5,000 were written off by the s151 officer under delegated authority. Permission was sought to write off any individual debts with a value of more than £5,000, if there were any.

It was then **RESOLVED** that Hub Committee note that:

1. in accordance with Financial Regulations, the S151 Officer has authorized the write off of individual West Devon Borough Council debts totalling £55,318.18 as detailed in tables 1 and 2; and
2. there were no write offs for individual debts in excess of £5,000 to be approved this time.

HC 71

PRE APPLICATION PROCESS IN PLANNING

Members were presented with a report that recommended the introduction of the new pre application process. The Lead Member for Environment, along with the Head of Development Management (DM), responded to questions.

Members were supportive of the proposal particularly with the ability to measure improvements to performance for both the Council and applicants. It was confirmed that General Data Protection Regulations (GDPR) would be complied with as pre-application advice will be in the public domain from commencement of Service. The Lead Member for Environment confirmed that the scheduled Member DM training on Tuesday, 4th February 2020 would cover the new service.

It was then **RESOLVED** that Hub Committee **RECOMMEND** to Council that the Pre-Application process, as detailed in Appendix 1, be approved.

HC 72

ELECTRIC CHARGING POINTS

Members were presented with a report that informed them of the proposal to provide electric charging points in some of the Council's car parks. Members sought confirmation of the comparison of the carbon footprints of electric vehicles compared to petrol/diesel vehicles. Other Towns and Parishes not in the first tranche for electric charging points provision were advised to contact Devon County Council who would be interested in exploring options further.

It was then **RESOLVED** that Hub Committee **RECOMMEND** to Council:

- (i) That the Council signs up to the collaboration agreement with Devon County Council for the installation of Electric Vehicle Charging Points;

- (ii) That the potential sites where the Electric Vehicle Charging Point should be installed are as listed in paragraph 1.3 of the report;
- (iii) That the Council enters into a lease with the appointed supplier for a 10 year period; and
- (iv) That funding (£8,000) for the charging points is obtained from the Car Park Maintenance Reserve.

***HC 73 EXCLUSION OF PUBLIC AND PRESS**

RESOLVED

That in accordance with Section 100(A)(4) of the Local Government Act 1972, the public and press be excluded from the meeting during consideration of the following item of business as the likely disclosure of exempt information as defined in paragraph 3 of Schedule 12A to the Act is involved.

HC 74 FUTURE IT PROCUREMENT REPORT

Members were presented with an exempt report by the Lead Member for Performance that outlined the process of procurement undertaken to look at future IT system for the Council.

It was then **RESOLVED** that:

- (i) That the Hub Committee agree the contract be awarded for the future Case Management technology to the selected supplier as outlined in the exempt agenda report;
- (ii) The Hub Committee resolve to **RECOMMEND** to Council to approve the use of £65,000 from the IT Development earmarked reserve and £18,000 from the Budget Surplus Contingency earmarked reserve for the Future IT project implementation.
- (iii) Delegated authority be granted for the contract award of a Document Management system, to the Strategic Director of Customer Service Delivery in consultation with the Lead Member for Performance and Resources and the Leader of the Council

***HC 75 RE-ADMITTANCE OF PUBLIC AND PRESS**

It was then:

RESOLVED

That the public and press be re-admitted to the meeting.

***HC 76 LEAD MEMBER UPDATE – CLLR SELLIS: HOMES**

With the Chairman's agreement, the Lead Member Update was deferred to the next Hub Committee meeting.

**HC 77 REPORTS OF BODIES – OVERVIEW AND SCRUTINY COMMITTEE
MINUTES**

Following a review of the Minutes from the Overview & Scrutiny Committee meeting held on 14 January 2020, it was **RESOLVED** that:

O&S 72: Safeguarding: Annual Update

That Council be **RECOMMENDED** to Council that the revised Safeguarding Policy (as attached at Appendix A of the presented agenda report) be adopted.

(The meeting terminated at 15:39 pm)

Chairman

***(NOTE: THESE DECISIONS, WITH THE EXCEPTION OF
HC66, HC68, HC69, HC71, HC72, HC74 and HC77 WHICH ARE
RECOMMENDATIONS TO FULL COUNCIL
ON 18 FEBRUARY 2020, WILL BECOME EFFECTIVE FROM
WEDNESDAY 5TH FEBRUARY 2020 UNLESS CALLED IN, IN ACCORDANCE WITH
SCRUTINY PROCEDURE RULE 18).***

WEST DEVON BOROUGH COUNCIL: HUB COMMITTEE FORWARD PLAN

This is the provisional forward plan for the four months starting June 2020. It provides an indicative date for matters to be considered by the Hub Committee. Where possible, the Hub Committee will keep to the dates shown in the plan. However, it may be necessary for some items to be rescheduled and other items added.

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

The Plan is published on the Council's website (www.westdevon.gov.uk)

The Hub Committee consists of nine Councillors. Each has responsibility for a particular area of the Council's work.

Leader – Cllr Neil Jory

Deputy Leader – Cllr Lois Samuel

Lead Member for Environment – Cllr Caroline Mott

Lead Member for Health and Wellbeing – Cllr Tony Leech

Lead Member for Enterprise – Cllr Ric Cheadle

Lead Member for Communities – Cllr Terry Pearce

Lead Member for Customer First – Cllr Jeff Moody

Lead Member for Resources and Performance – Cllr Chris Edmonds

Lead Member for Homes – Cllr Debo Sellis

Further information on the workings of the Hub Committee, including latest information on agenda items, can be obtained by contacting the Democratic Services Section by e-mail to democratic.services@swdevon.gov.uk

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

Portfolio Area	Report Title and Summary	Lead Member / Officer	Documents to be considered in making decision	Date of Meeting	Consultees and means of consultation
Council	<p>Title: Council Response and Recovery to the Covid-19 Crisis</p> <p>Purpose of report: To review Council's response to Covid-19 emergency and to consider Council's recovery plan</p>	Cllr Jory / Drew Powell	Report of Director of Governance and Assurance	30 June 2020	To be considered at the Overview and Scrutiny Committee meeting on 23 June 2020
Council	<p>Title: Revenue Budget Monitoring for April and May 2020</p> <p>Purpose: A revenue budget monitoring report to monitor income and expenditure variations against the approved revenue budget for 2020/21 for April and May 2020.</p>	Cllr Edmonds / Lisa Buckle	Report of S151 Officer	30 June 2020	
Council	<p>Title: Medium Term Financial Strategy</p> <p>Purpose: To set the strategic intention for all of the different strands of funding available to the Council. This brings together all known factors affecting the Council's financial position and its financial sustainability, to provide a long term financial forecast.</p>	Cllr Jory / Lisa Buckle	Report of S151 Officer	28 July 2020	
Council	<p>Title: Write Off Report for Quarter 4 2019/2020</p> <p>Purpose of report: The Council is responsible for the collection of: Housing Rents, Sundry Debts including Housing Benefit Overpayments, Council Tax and</p>	Cllr Edmonds / Lisa Buckle	Report of S151 Officer	28 July 2020	

Portfolio Area	Report Title and Summary	Lead Member / Officer	Documents to be considered in making decision	Date of Meeting	Consultees and means of consultation
	National Non-Domestic Rates. The report informs members of the debt written off for these revenue streams.				
Council	Title: Revenue Budget Monitoring for April, May, and June 2020 Purpose: A revenue budget monitoring report to monitor income and expenditure variations against the approved revenue budget for 2020/21 for April, May, and June 2020.	Cllr Edmonds / Lisa Buckle	Report of S151 Officer	28 July 2020	
Homes	Title: Homeless Strategy year 4 Action Plan Purpose: To provide to Members an update on the Homeless Strategy Action Plan	Cllr Sellis / Isabel Blake	Report of Head of Housing, Revenues, and Benefits Practice	28 July 2020	
Enterprise	Title: Commercial Investments Update Purpose: to update the Council on any commercial investment opportunities	Cllr Edmonds / Chris Brook	Report of Director of Place and Enterprise	28 July 2020	
Council	Title: Devon Districts Procurement Strategy Purpose of report: To seek adoption of Devon procurement strategy	Cllr Jory / Rosie Wilson	Report of Corporate Procurement Officer	28 July 2020	South Hams, Teignbridge, Torridge, Exeter, Mid and North Devon District Councils
Health and Wellbeing	Title: Wellbeing Theme Purpose of report: To update Members on the wellbeing theme and its place in the recovery plan	Cllr Leech / Ian Luscombe/	Report of the Head of Environmental Health Practice	15 September 2020	Member Workshop

Portfolio Area	Report Title and Summary	Lead Member / Officer	Documents to be considered in making decision	Date of Meeting	Consultees and means of consultation
Council	Title: Recovery Plan to the Covid-19 Crisis Purpose: to consider the recommendations of the Joint Meeting of the Overview and Scrutiny Panel and Development Management Committee on the draft Recovery Plan	Cllr Jory / Drew Powell	Report of the Director of Governance and Assurance	15 Sept 2020	To be considered at the Overview and Scrutiny Committee meeting on 1 Sept 2020
Council	Title: Amended Draft Budget 2020/21 Purpose: To consider a report that presents an amended budget for 2020/21 in light of the impact of Covid-19	Cllr Jory / Lisa Buckle	Report of the Section 151 Officer	15 Sept 2020	To be considered at the Overview and Scrutiny Committee meeting on 1 Sept 2020
Strategic Planning / Environment	Title: Coastal Concordat Purpose of report: To outline to Members the protocol for formal processes where these are shared across administrative boundaries / responsibilities	Cllr Mott / Rob Sekula	Report of Head of Place Making Practice	15 September 2020	
Homes	Title: Empty Homes Premium Purpose of report: To consider an increase to the Council Tax premium on properties that have been empty for over two years	Cllr Sellis / Steve Henstock	Report of the Senior Specialist of Housing, Revenues and Benefits, and Customer First	15 September 2020	Consultation with various Heads of Practice
Strategy	Title: Housing Strategy Purpose of report: To recommend to Members the adoption of a revised Housing Strategy	Cllr Sellis / Chris Brook	Report of the Director of Place and Enterprise	15 September 2020	
Environment	Title: 3 weekly waste update Purpose: To provide Members with an update on the 3 weekly waste trial	Cllr Mott / Jane Savage	Report of Head of Contracts and Commissioning	15 September 2020	

Portfolio Area	Report Title and Summary	Lead Member / Officer	Documents to be considered in making decision	Date of Meeting	Consultees and means of consultation
Council	<p>Title: Write Off Report for Quarter 1 Purpose of report: The Council is responsible for the collection of: Housing Rents, Sundry Debts including Housing Benefit Overpayments, Council Tax and National Non-Domestic Rates. The report informs members of the debt written off for these revenue streams.</p>	Cllr Edmonds / Lisa Buckle	Report of S151 Officer	15 September 2020	
Council Page 11	<p>Title: Revenue Budget Monitoring up to August 2020 Purpose of report: A revenue budget monitoring report to monitor income and expenditure variations against the approved revenue budget for 2020/21 up to August 2020</p>	Cllr Edmonds / Lisa Buckle	Report of S151 Officer	15 September 2020	
Council	<p>Title: Capital Budget Monitoring Quarter 1 Purpose of report: The report advises Members of the progress on individual schemes within the approved capital programme for 2020/21, including an assessment of their financial position</p>	Cllr Edmonds / Lisa Buckle	Report of S151 Officer	15 September 2020	
Council	<p>Medium Term Financial Strategy for the five years 2021/22 to 2025/26 Purpose of the report: To set the strategic intention for all of the different strands of funding available to the Council. This brings</p>	Cllr Jory / Lisa Buckle	Report of S151 Officer	15 September 2020	

Portfolio Area	Report Title and Summary	Lead Member / Officer	Documents to be considered in making decision	Date of Meeting	Consultees and means of consultation
	together all known factors affecting the Council's financial position and its financial sustainability, to provide a long term financial forecast.				

NOT FOR PUBLICATION

This report contains exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (matters affecting the financial affairs of the Council) - (applies to Appendix E)

Report to: **Hub Committee**

Date: **30 June 2020**

Title: **Month 1 and 2 Revenue Budget Monitoring 2020/2021**

Portfolio Area: **Performance & Resources – Cllr C Edmonds**

Wards Affected: **All**

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

Date next steps can be taken: **N/A**

Author: **Pauline Henstock** Role: **Head of Finance Practice and Deputy S.151 Officer**

Lisa Buckle **Corporate Director for Strategic Finance (S151 Officer)**

Contact: pauline.henstock@swdevon.gov.uk
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Recommendations:

That the Hub Committee resolves to:-

- i) Note the significant forecast income and expenditure variations for the 2020/21 financial year and the overall projected overspend of £1.028 million (14.3% of the total Budget £7.212 million).
- ii) Note the loss of income streams already experienced by the Council in April 2020 and May 2020 of £0.371 million in total as shown in Section 6 of the report.
- iii) Present an Amended Budget for 2020/21 to the September cycle of Committee meetings, setting out recommendations as to how the projected losses could be financed and what action could be taken. This is in order to achieve a balanced budget for 2020/21, in light of the Covid 19 pandemic.
- iv) Undertake a comprehensive review of all Earmarked Reserves.

1. Executive summary

- 1.1 Covid 19 has caused financial strain for all Councils up and down the country where Councils find themselves being caught in a 'perfect storm'. Councils have to manage both the increased costs of coping with Covid19 and supporting vulnerable people in the community and the loss of key income streams such as car parking income and council tax income.
- 1.2 The factors affecting the Council's finances are issues affecting the whole Local Government sector. The Council is well-placed to meet the financial challenges arising from Covid19, due to its prudent financial management over previous years. It is important to stress that the Council is not in financial difficulty and a plan will be drawn up as to how the Council meets these challenges.
- 1.3 This report enables Members to monitor income and expenditure variations against the approved budget for 2020/21, and provides a forecast for the year end position.
- 1.4 The gross service expenditure budget for 2020/21 was set at £23 million (£7.212 million net). **Actual net revenue expenditure is forecast to be over budget by £1.028 million when compared against the total budget set for 2020/21, due mainly to the impact of the Covid 19 pandemic.** This position is after taking into account the £0.585 million Government grant which the Council has received for Covid 19. The allocation of Government funding to Councils has been partly based on population.
- 1.5 This prediction is based on a range of assumptions which have been made as to how much the income streams of the Council could be affected by Covid19. Projections could improve and it is difficult to predict as we don't know how quickly things will bounce back. We will be monitoring our finances on a monthly basis and as actual figures emerge, we will refine these figures and our assumptions.
- 1.5 The significant extent of these predicted losses present imminent funding challenges for the Council. With income falling, unemployment expected to rise and a lack of certainty around funding, there are going to be difficult decisions to be made.

2. Background

2.1 Regional and national context

- 2.11 On 27th May, the Leaders of Councils in Devon wrote to the Rt Hon Robert Jenrick MP (Secretary of State), drawing his urgent attention to a £85.7 million shortfall in funding across Devon Councils, which threatens not only the financial stability of Councils in Devon, but also the delivery of essential public services (Appendix C). Local Government is a frontline service and we want to ensure our voice is heard in the calls for financial support.

- 2.12 The Council will continue to lobby the Government so that we receive the appropriate level of funding to be able to plan confidently for the future. Each month, Councils complete a national return that informs the Government of how much COVID-19 is affecting the finances of Councils. It is hoped that the Government will act with further funding when they have this national picture.
- 2.13 A letter has been received from the Director for Local Government Finance of the Ministry of Housing Communities & Local Government regarding the Covid19 response and Local Government Funding (Appendix D). This states that the latest Government returns submitted by Councils in May showed expenditure pressures for March to May equating to £1.25 billion, which fell within the £3.2 billion of un-ringfenced grant provided by the Government. The letter failed to acknowledge the loss of income streams which Councils have suffered, or offer any commensurate Government funding to mitigate the financial effects of these. At the start of the pandemic, Councils were asked by the Government 'to do whatever it takes'. We currently have no reassurance on what further funding we will receive from the Government to compensate our loss of key income streams and this is our greatest unknown in our financial planning.
- 2.14 These income losses have had a much bigger impact (in proportion to Net Budgets) on District Councils, than they have on County Councils and Unitaries.
- 2.15 The Society of District Council Treasurers (SDCT) has engaged Local Government Futures (who are specialists in the field of Local Government Finance), to put together evidence to show the losses experienced by District Councils. This will then be used for the purpose of lobbying the Government for further funding for District Councils.
- 2.16 In a letter from the Chairman of the District Councils' Network to the Chancellor, the financial needs of District Councils were set out, as well as stating that no part of the public sector is better placed than District Councils to catalyse and lead the recovery and that we will rise to the challenge.

2.2 How we plan to respond as a Council

- 2.21 In this report, assumptions have been made as to how much the income streams of the Council could be affected by Covid19. Projections could improve and it is difficult to predict as we don't know how quickly things will bounce back. We will be monitoring our finances on a monthly basis and as actual figures emerge, we will refine these figures and our assumptions.

- 2.22 The Coronavirus (COVID-19) Response and Draft Recovery and Renewal Plan (a separate item on this Hub Committee agenda) sets out the strategic objectives, part of which is the recovery and sustainability of the Council's financial position (Section 11). The financial sustainability Theme sets out a list of proposed areas for development. The report will be discussed at both the Overview and Scrutiny Committee on 23rd June and the Hub Committee on 30th June.
- 2.23 The lockdown due to Covid19 has been eased and the financial assumptions around the Council's income streams have been revised. For example, the Council's car parks have re-opened and therefore the estimates in this report reflect this updated position.
- 2.24 This Budget Monitoring report also excludes the impact of reductions in income from Business Rates and Council Tax as these do not affect the General Fund in 2020/21 (apart from the pooling gain). This is further explained in Section 6.
- 2.25 Future service delivery discussions are currently taking place with each Head of Practice area to discuss what services might look like under 'the new normal'. A thorough review of all expenditure will be needed, which takes into account a review of statutory expenditure against non-statutory (discretionary) expenditure and also the corporate priorities.
- 2.26 This will include a review of the Council's Capital Programme and all capital projects. The Council's Medium Term Financial Strategy will also be revised.
- 2.27 It is also recommended that the Council undertakes a Comprehensive Review of all Earmarked Reserves, which total £3.303 million as shown in Appendix A. Budgeted contributions to and from Earmarked Reserves as part of the 2020/21 Budget will also be assessed. Unearmarked Reserves stand at £1.086 million. The Council has a limited amount of Reserves, which could be used if absolutely necessary. Reserve levels will be kept under constant review.
- 2.28 Time needs to be taken over the next few months and weeks to put together proposals for Members to consider for an Amended Budget for 2020/21. A Member Budget Workshop in August will be arranged, to explore all areas with Members, supplemented by Informal Council briefings. If there are areas that Members would like the Financial Stability Theme of the Recovery and Renewal Plan to cover, please let the Member lead (Cllr Edmonds) or the Officer lead (Mrs Buckle) know. This is an evolving plan, to ensure and safeguard the delivery of services.

- 2.29 Options will be presented to Members for a revised Budget for 2020/21 during August and September 2020. This is in order to achieve a balanced budget for 2020/21, in light of the Covid 19 pandemic.
- 2.30 It should be noted that the financial landscape for Councils is ever-changing and there is still a great deal of uncertainty that Councils are working with in planning their finances for the longer term. The large areas of unknowns are around New Homes Bonus funding, Negative Revenue Support Grant (the Council no longer receives any core Government grant) and future allocations of Rural Services Delivery Grant. We are making the point to the Government that we must know what is happening to these key areas by this September, so that we can plan confidently for our finances for the future.

2.3 Financial Monitoring arrangements

- 2.31 The Council's financial procedure rules require that reports must be made on budget monitoring on a regular basis to the Hub Committee as part of the Council's arrangements for budget management. Revenue budget monitoring reports are normally brought to the Hub Committee on a quarterly basis. However due to the current Covid 19 pandemic and the subsequent financial pressures facing Local Authorities, it was felt more prudent to update the Hub Committee on a monthly basis going forward, with monthly budget monitoring reports.

3. Outcomes/outputs

- 3.1 **Budget overview** - Table 1 below provides an analysis of the projected variances against budget. The report is 'high level' at this early stage of the year and does not include any in-depth monitoring of the salaries budgets within each area or some of the smaller areas of expenditure. This will be done for the Month 3 Monitoring report.

TABLE 1: 2020/21 BUDGET FORECAST

	2020/21 Budget expenditure /(income)	Budget variations		£000	Note
	£000	%	£000		
APPROVED BUDGET				7,212	
Reductions in expenditure/additional income					
Customer Service & Delivery					
COVID-19 Government grant support (the Council's share of £1.6bn allocation)	-	-	(585)		A
Savings on staff and Member travel and expenses	91	50%	(45)		B
Governance & Assurance					
Garden Waste income	(205)	12%	(25)		C
Sub total of variations				(655)	
Increases in expenditure/reductions in income					
Customer Service & Delivery					
COVID-19 expenditure	n/a	n/a (no budget)	76		D
Planning income	(402)	40%	161		E
Homelessness reimbursement of expenditure	(144)	50%	72		F
Investment income	(105)	90%	95		G
Licensing income	(114)	40%	46		H
Land Charges income	(95)	50%	48		I
Council Tax Collection income	(102)	50%	51		J
Housing Benefit overpayment recoveries	(135)	100%	135		K
Place and Enterprise					
Car parking income - assumes actual losses in April and May and 30% drop in income levels from 1 st June 2020	(1,147)	41%	468		L
Commercial Property Investment net income	(1,099)	25%	272		M
Employment Estates income	(328)	25%	82		N
Kilworthy Park income	(141)	10%	14		O
Governance & Assurance					
Leisure – interim support to the leisure contractor	n/a	n/a (no budget)	46		P
Waste & Recycling income - mainly recycling credits	(280)	10%	28		Q

	2020/21 Budget expenditure /(income)	Budget variations			Note
Other Comprehensive Income & Expenditure					
Business Rates Pooling gain	(135)	100%	135		R
Sub total of variations				1,729	
PROJECTED OUTTURN				8,286	
Less: Use of Earmarked reserves:					
Leisure: Interim support to Leisure contractor (Note P) to be funded by the Leisure Services Earmarked Reserve (Minute Reference CM87)				(46)	
PROJECTED OVERSPEND				1,028	

Actual net revenue expenditure is forecast to be over budget by £1.028 million when compared against the total budget set for 2020/21, due mainly to the impact of the Covid 19 pandemic. This position is after taking into account the £0.585 million Government grant which the Council has received for Covid 19.

Notes

- A. **COVID-19 grant support** – The Council has received nearly £585,000 of Government grant support for the Covid19 pandemic. This will assist the Council to partly meet its projected loss of income streams but it will only be part of the solution. The allocation of funding to Councils has been made partly based on population and as a rural and sparsely populated area, West Devon is always going to miss out on this basis. See further information in the Executive Summary.
- B. **Savings on staff and Member travel and expenses** – due to Covid 19 it is currently anticipated that a saving of up to £45,000 could be achieved in 2020/21. These savings are due to staff and Members working from home in accordance with Government guidance.
- C. **Garden Waste income** – this income target is expected to be exceeded in 2020/21 by £25,000.
- D. **COVID-19 expenditure** – small one-off items of direct Covid 19 expenditure such as extra housing costs, ICT and remote working and shielding costs.

- E. **Planning income** – planning income is projected to be down by 40% (£161,000) due to Covid 19. This is a worst case scenario.
- F. **Homelessness** – homelessness reimbursement of expenditure is currently forecast to be reduced by 50% (£72,000) due to Covid 19.
- G. **Investment income** – due to the historic low in interest rates (base rates are 0.1%), investment income is currently anticipated to be 90% down which equates to a shortfall of £95,000. Further options for fixed term deposits will continue to be explored with the Council's treasury management advisers.
- H. **Licensing income** – due to Covid-19 it is currently anticipated that licensing income could be reduced by 40% (£46,000) in 2020/21.
- I. **Land Charges income** – based on income to date a shortfall of 50% in land charges income is currently forecast for 2020/21 which equates to £48,000.
- J. **Council Tax Collection income** – summons costs recovered in respect of Council Tax and Business Rates are currently anticipated to be 50% down on the 2020/21 budget.
- K. **Housing Benefit overpayment recoveries** – it is unlikely that any of this income target (£135,000) will be achieved in 2020/21 as we expect to see fewer overpayments being created due to the introduction of DWP Real Time Information referrals. There is also an expectation that recovery will reduce year on year as collection becomes more difficult. This is partly due to Covid 19 but also reflects the outturn position for 2019/20 where this income target has not been achieved in full. The income target needs to be reduced to Nil for 2021/22 and reflected within the Medium Term Financial Strategy.
- L. **Car parking income** – The prediction for the year (a £468,000 reduction in income) includes the actual losses in car parking income for the first two months and an assumption of an on-going 30% drop in income levels from 1st June 2020 for the rest of the year. This would equate to an overall 41% reduction in the budgeted income for the year of £1.147 million. In the first two months income has been down by £86,000 in April and £95,000 in May. This position will be monitored on a monthly basis.
- M. **Commercial Property Investment gross income** – Income from Investment properties could be impacted by tenants' ability to pay during the Covid19 pandemic. A reduction of 25% (£272,000) has been modelled across the Investment property portfolio as a ballpark estimate. This is in line with estimates being made in other Councils. It is early in the year to be able to firm up this figure but this is envisaged to be a worse case scenario.

- N. **Employment Estates income** – Income from Employment Estates properties could be impacted by tenants’ ability to pay during the Covid19 pandemic. A reduction of 25% (£82,000) has been modelled across the Employment Estates property portfolio as a ballpark estimate. This is in line with estimates being made in other Councils. It is early in the year to be able to firm up this figure but this is envisaged to be a worse case scenario.
- O. **Kilworthy Park income** – It is anticipated that rental income from Kilworthy Park could be down by 10% (£14,000) due to Covid 19.
- P. **Leisure Centres interim support** – due to Covid 19, an interim support package has been agreed with the Council’s Leisure provider (Fusion Lifestyle) at a one-off cost of £45,900 (three months for April, May and June at £15,300 per month), to be funded from the Leisure Services Earmarked Reserve. Minute Reference CM87. There are additional impacts regarding leisure which are still to be quantified in relation to the leisure contract.
- Q. **Waste & Recycling income** – the projection assumes a 10% reduction in income due to Covid 19.
- R. **Business Rates Pooling Gain** – due to Covid 19 it is anticipated that there will be no Business Rates Pooling Gain in 2020/21. The S151 Officer and the Business Rates Specialist will continue to attend the Devon Business Rates Pooling meetings and provide quarterly monitoring information on the business rates position. A worst case scenario of no pooling gain has been modelled in this report.

Savings/Additional Income identified in the 2020/21 Budget

- 3.2 This monitoring report includes an update on the position regarding the savings and additional income that were identified in the 2020/21 budget setting process, set out in Appendix B. This sets out that of the extra Income/savings budgeted for in 2020/21 of £530,200, an amount of £405,200 is currently projected to be achieved. Therefore there is a projected under-achievement of extra income and savings of £125,000. This is reflected within the overall projected loss of £1.028 million where there is a reasonable amount of certainty over this figure. Projections which include ‘TBA’ will be firmed up in future monitoring reports.

4. Review of Earmarked Reserves

- 4.1 The Council annually undertakes a review of the level of its Earmarked Reserves as part of the budget setting process. Recommendation 4 of this report recommends that a comprehensive review of all Earmarked Reserves is undertaken as part of the process of putting together an Amended Budget for 2020/21. Budgeted contributions to and from Earmarked Reserves as part of the 2020/21 Budget will also be assessed. A schedule of Earmarked Reserves is attached at Appendix A, which shows Earmarked Reserves are £3.303 million currently.

4.2 The Council's level of Unearmarked Reserves currently stands at £1.086 million. As part of the Medium Term Financial Strategy, Members have set a minimum balance for Unearmarked Reserves of £900,000.

5. Prudential Indicators

5.1 The prudential code indicators were approved in the Capital, Investment and Treasury Management Strategy report to Council on 28th April 2020. The indicators are monitored during the year through the normal revenue and capital monitoring processes. All Treasury Management limits have been adhered to.

6. Income and Reserves

Income monitoring is an integral part of financial management. Below shows the current income shortfalls already experienced for April and May 2020 together (**which total £371,000 - being £183,000 in April and a further £188,000 in May**). The table also shows the latest 2020/21 projections for the major streams of income.

Service	Income Shortfall April 2020 £'000	Income Shortfall May 2020 £'000	Projected Income 2020/21 £'000	Income Budget 2020/21 £'000	Deficit/ (Surplus) £'000	Deficit/ (Surplus) %
Car Parks*	86	95	679	1,147	468	41%
Planning	12	6	241	402	161	40%
Commercial Property *	23	23	827	1,099	272	25%
Employment Estates*	10	10	246	328	82	25%
Garden Waste	-	-	230	205	(25)	(12%)
Trade Waste*	-	-	15	15	-	-
Waste & Recycling	2	2	252	280	28	10%
Kilworthy Park*	1	1	127	141	14	10%
Homelessness*	6	6	72	144	72	50%
Business Rates Pooling Gain	11	11	-	135	135	100%
Investment income	8	8	10	105	95	90%
Licensing*	4	4	68	114	46	40%
Land Charges	5	7	47	95	48	50%
Council Tax Collection	4	4	51	102	51	50%
Housing Benefit overpayments	11	11	-	135	135	100%
TOTAL	183	188	2,865	4,447	1,582	

Note* N.B. It is difficult to gauge an exact income position for these services as some of the income is raised via sundry debtors. As soon as the sundry debtor invoice is raised the income is credited to the ledger in line with proper accounting practice. For these services a best judgement has been made at this stage in terms of how much debt is likely to remain unpaid. All invoices raised in excess of £5,000 have been looked at in detail to see if they have been settled as at 31st May 2020.

Council Tax and Business Rates Income

Reductions in Council Tax and Business Rates income are excluded from this report, as these do not affect the General Fund in 2020/21, due to the way the accounting for these income streams go through the Collection Fund. Therefore a large part of the reductions in income will affect the Council's financial position in 2021/22, although it does affect the cashflow position of the Council in 2020/21.

Reductions in the collection rate for Council Tax and Business Rates will be reflected within the Collection Fund accounting. No pooling gain for Business Rates has been assumed for 2020/21.

Business Rates: In April 2020, WDBC collected 11.18% of the yearly total (compared to 13.64% in 2019/20) – the 2.46% drop equates to £137,108 (WDBC share £54,800 prior to the tariff being applied). This is how much business rates income is down by in April 2020, compared against April 2019 but could partly be due to timing differences.

Council Tax: In April 2020, WDBC collected 10.79% of the yearly total (compares against 11.09% in 2019/20) – the 0.3% drop equates to £129,854 (WDBC share £19,500). This is how much council tax income is down by in April 2020, compared against April 2019.

Business Rates and Council Tax form a large share of the funding for the Council's budget and therefore these income streams are funding the essential services being delivered.

7. Management Actions

- 7.1 It is best practice as part of Budget Monitoring reports, for the Council to state whether there are any corrective actions that need to be taken for the variances identified in the report.
- 7.2 The Recovery and Renewal Plan, as the Council's response to Covid19, sets out Financial Stability as a Recovery and Renewal Theme.

7.3 The management actions for this Budget Monitoring report are as set out below:-

- To complete monthly Government returns on COVID costs and loss of income
- To continue lobbying with 'Team Devon' for further Government financial support in light of the impact of Covid 19
- Monthly budget monitoring reports, to including monitoring reserves
- Service delivery discussions, to discuss what services might look like under the 'new normal'
- A review of statutory versus discretionary expenditure
- A review of the Council's Capital Programme
- A comprehensive review of all Earmarked Reserves and contributions to Earmarked Reserves
- To revise the Medium Term Financial Strategy
- Review the outturn position for the Council's Accounts for 2019-20
- To lobby Government for a change in some of the 'rules' for Councils (such as to change the accounting rules for capital repayments on borrowing and capital receipts flexibility)
- To press Government for an early decision on factors affecting our 2021/22 Budget such as New Homes Bonus funding, Negative Revenue Support Grant and Rural Services Delivery Grant
- To lobby for fair funding for rural Councils
- Assess options for further investment
- A Member Budget Workshop will be arranged for August to explore all areas with Members, supplemented by Informal Council briefings.
- Propose options to Councillors for an Amended Budget for 2020/21 by September 2020

8. Options available and consideration of risk

8.1 At this early stage it is important to note that these forecasts can change over the course of the year. Managers can seek out opportunities to reduce any overspends, whilst considering the risk of any adverse impact on the customer experience.

9. Proposed Way Forward

9.1 Revenue budget monitoring will continue on a regular basis and ***further reports will be brought to the Hub Committee each month during the current Covid 19 situation.***

10. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	<p>The Statutory Powers that apply to this report are the Local Government Act 1972 Section 151 and the Local Government Act 2003 Section 28. It is proposed that Appendix E is exempt from publication under Schedule 12A of the Local Government Act 1972 Part 3 as the Appendix contains information relating to the Council's financial affairs.</p> <p>The public interest test has been applied as to whether the Appendix should be published and the public interest lies in non-disclosure at this time.</p>
Financial implications to include reference to value for money	Y	<p>The report identifies an overall predicted overspend of £1.028 million which is 14.3% of the overall budget set for 2020/21 of £7.212 million, due to the current pressures on the Council's income targets due to the Covid 19 situation and extra expenditure incurred.</p> <p>The loss of income streams already experienced by the Council in April 2020 and May 2020 total £0.371 million, as shown in Section 6 of the report.</p> <p>It is recommended that an Amended Budget for 2020/21 is presented to the September cycle of Committee meetings, setting out recommendations as to how the projected losses could be financed and what action could be taken. This is in order to achieve a balanced budget for 2020/21, in light of the Covid 19 pandemic.</p> <p>We will be making the point to the Government that the message to Councils at the start of the pandemic was to 'do everything it takes'. Councils should not thereby be made to lead into the recovery at a severe financial disadvantage and unable to lead any capital projects to help pull the Authority area out of a recession.</p>
Risk	Y	<p>1) Budget variances – continual monthly budget monitoring at all levels within the Council ensures early identification of variances. Reporting to the Hub Committee provides an opportunity for Members to identify and instigate remedial action where appropriate.</p>

		2) Resource Planning – the Hub Committee takes into account any significant issues when developing the Council’s Medium Term Financial Strategy. These are identified in the Management Actions section of the report (Section 7).
Supporting Corporate Strategy		The budget monitoring process supports all six of the Corporate Strategy Themes of Council, Homes, Enterprise, Communities, Environment and Wellbeing.
Climate Change – Carbon / Biodiversity Impact		None directly arising from this report.
<i>Comprehensive Impact Assessment Implications</i>		
Equality and Diversity		None directly arising from this report.
Safeguarding		None directly arising from this report.
Community Safety, Crime and Disorder		None directly arising from this report.
Health, Safety and Wellbeing		None directly arising from this report.
Other implications		None directly arising from this report.

Supporting Information

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

Appendix B – Savings/Additional income schedule

Appendix C – Joint Devon Leaders’ letter to Rt Hon Robert Jenrick MP

Appendix D – Letter from Alex Skinner, Director for Local Government Finance for MHCLG.

EXEMPT Appendix E – Leisure

Background Papers:

Finance Community of Practice budget monitoring working papers.

Approval and clearance of report

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

RESERVES - PROJECTED BALANCES						APPENDIX A
	Hide					
	Cost Centre	Opening Balance 01.04.2020 £000's	Additions to Reserve 2020/21 £000's	Predicted Spend 2020/21 £000's	Projected Balance 31.03.2021 £000's	Comments
EARMARKED RESERVES						
Specific Reserves - General Fund						
2016/17 Budget Surplus Contingency	W0848	196	0	(80)	116	This is the Budget Surplus from 2016/17 which was put into an Earmarked Reserve. Commitments relate to the Capital Programme £50k, Future IT Procurement £18k and Community Housing Staffing £12k
Business Rates Retention Scheme	W0824	492	0	0	492	This relates to a timing issue on the accounting adjustments required for the localisation of business rates. This reserve also deals with any volatility in Business Rate income e.g. due to appeals. N.B. The opening balance will be updated following the closure of the 2019/20 Business Rates Collection Fund.
Cannons Meadow, Tavistock	W0900	8	0	(3)	5	This reserve contains a commuted sum to be written down to revenue annually over 10 years
Car Parking Maintenance	W0833	464	0	(238)	226	The commitments include Brook Street Car Park, Council Owned Asset Investment & Development £20k (minute ref HC4) and Grounds Maintenance £30k (Hub 10/9/19)
Economic Grant Initiatives	W0914	22	0	(10)	12	Reopening High Street Grants - COVID 19 £10k
Elections	W0903	0	20	0	20	Reserve utilised in full in 2019/20 to fund the cost of District Council Elections held in May 19
Environmental Health Initiatives	W0857	20	0	(2)	18	Contribution towards the cost of an Environmental Health Specialist Student Placement
Financial Stability	W0859	454	0	0	454	This is a new reserve created in 2018/19 from the Business Rates Pilot funding.
Flood Works	W0915	16	0	0	16	
Grounds Maintenance	W0901	18	0	0	18	
Homelessness Prevention	W0924	115	0	0	115	This reserve has been created following underspends on Homelessness Prevention Costs in previous years
ICT Development	W0836	66	25	(75)	16	The commitment mainly relates to the New IT Procurement, Hub Cttee Jan 20 Min Ref HC73 (£65k)
Innovation Fund (Invest to Earn)	W0850	432	0	(175)	257	Commitments totalling £175k mainly relate to the upgrading of Hayedown Depot
Invest to Save	W0902	12	0	(8)	4	
Joint Local Plan	W0860	20	0	0	20	
Leisure Services	W0855	204	0	(136)	68	Capital Programme Funding £90k, Fusion leisure monthly support due to temporary closure of leisure facilities during COVID-19 pandemic £46k (April - June 20)
Maintenance Fund (Estates)	W0927	170	0	0	170	
Management, Maintenance & Risk Management	W0861	190	119	0	309	This is a relatively new reserve set up to manage the ongoing maintenance costs of the Council's Commercial Property Portfolio. The contributions to the reserve equate to 10% of the rental income.
Neighbourhood Planning Grants	W0897	16	0	0	16	
New Homes Bonus (NHB)	W0804	401	348	(626)	123	The NHB is used to support the funding of the revenue budget and the Capital Programme. The commitment includes £228,135 to fund the 2020/21 revenue budget and £368,000 for the Capital Programme.
Outdoor Sports & Recreation Grants	W0852	18	0	0	18	
Planning Policy and Major Developments	W0840	122	25	0	147	
Revenue Grants	W0821	508	0	(33)	475	This reserve comprises of government grants received for specific initiatives or new burdens and are held in the reserve for accounting purposes. The commitment relates to a contribution towards the cost of Housing Advice Case Management posts from Flexible Homelessness Support Grant (FHSG) prior to 2020/21
Section 106 Monitoring	W0929	0	0	0	0	This reserve funds the cost of an officer to oversee the administration of S106 deposits and how they are spent. It was fully utilised in 2019/20.
Support Services Trading Opportunities	W0856	8	0	0	8	
Strategic Change (T18)	W0925	67	0	(60)	7	The commitments include £50,000 for the capital requirement of the Public Toilets pay on entry review (HC.19) and £10,000 for Kilworthy Park marketing.
Vehicle Replacement	W0931	396	50	(396)	50	This is a new reserve set up to fund the Council's vehicle replacement programme (Council 4 Dec 2018)
Waste & Cleansing Options Review	W0853	104	0	(14)	90	The commitment relates to three weekly collection trial costs (Hub 4 June 2019)
Other Reserves below £15,000 (combined)		33	0	0	33	
TOTAL EARMARKED RESERVES		4,572	587	(1,856)	3,303	
TOTAL UNEARMARKED RESERVES	W0950	1,086			1,086	Note: This Unearmarked Reserve has a minimum balance of £900,000 (set by Members as part of the Medium Term Financial Strategy). Therefore the spare headroom on this Reserve is insufficient to fund the projected overspend of £1.028 million due to the Covid19 pandemic.
TOTAL REVENUE RESERVES (EARMARKED AND UNEARMARKED RESERVES)		5,658	587	(1,856)	4,389	

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Summary of Savings and Additional Income from the 2020/21 Budget Setting Process

APPENDIX B

The table below summarises the savings and additional income that were included in the 2020/21 Budget Setting process and indicates whether the saving/additional income is on track to be delivered.

	Savings and Additional Income for the 2020/21 Budget	Income/Savings Target for 2020/21 (£)	Latest Projection for 2020/21 (£)	Narrative
1	Income from investments in commercial property	80,000	60,000	This additional income could be impacted by tenants' ability to pay during the Covid 19 pandemic. A reduction of 25% has been modelled across the rental income portfolio.
2	Re-procurement of contracts (e.g. savings from Leisure contract)	80,000	TBA	Unlikely to achieve this saving in full due to Covid 19. This situation will be closely monitored over the coming months.
3	Reduction in Pension Employer secondary rate contributions (due to a reduction in the actuarial deficit at 31.3.2019 - based on 17 year deficit recovery period)	175,000	175,000	Saving has already been achieved and is reflected within the Council's contribution letter from the Devon Pensions Fund.
4	Additional treasury management income (invest an extra £0.5m in CCLA)	15,000	Nil	This additional income is unlikely to be achieved in 2020/21 due to the current historic low level of interest rates. The extra £0.5m investment in the CCLA has not yet been made due to the need to keep investments short term due to Covid19.
5	Senior Leadership Team (SLT) - Interim arrangement	60,000	60,000	On target to achieve this saving - the SLT and ELT (Extended Leadership Team) restructure was completed in 2019/20.
6	Additional Employments estates income	25,000	19,000	This additional income could be impacted by tenants' ability to pay during the Covid 19 pandemic. A reduction of 25% has been modelled across the rental income portfolio.
7	Income from Street Naming and Numbering	15,000	11,000	There is likely to be a reduction in income for street naming and numbering due to the Covid 19 pandemic. A shortfall of 25% is currently anticipated.
8	Reduction in Partnership funding	2,000	2,000	On target to achieve this reduction.
9	Corporate consultancy income	10,000	10,000	The Council is currently processing Disabled Facilities Grants on behalf of Torridge District Council which will contribute to this income target in 2020/21 (total corporate consultancy income budget is £30,000). This income target will be kept under close review during the year to assess the impact of Covid 19.
10	Council Tax Support Grant	59,000	59,000	All Town and Parish Councils were notified of their 2020/21 grant levels as part of their 2020/21 precept setting process.
11	Reduction in ICT contracts	8,000	8,000	On target to achieve this saving.
12	Implement e-billing in council tax	1,200	1,200	To be implemented during 2020/21.
	TOTAL	£530,200	£405,200	

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Leader of the Council

Rt Hon Robert Jenrick MP
 Secretary of State
 Minister of Housing, Communities and Local Government
 2 Marsham Street
 London
 SW1P 4DF

John Hart
 County Hall
 Topsham Road
 Exeter
 EX2 4QD
 Tel: 01392 382285
 Email: john.hart@devon.gov.uk

27th May 2020

Dear Secretary of State,

We are writing as the Leaders of Councils in Devon representing over 795,000 people and 37,000 businesses to thank you for your vital support in the fight against Covid-19 and draw urgent attention to an £85.7 million shortfall in funding which threatens not only the financial stability of our local authorities but also the delivery of essential public services.

We stand together as “Team Devon” with our colleagues in Health, business leaders, community and voluntary sectors to deliver three key tasks you set on behalf of the Government in March 2020. As “Team Devon” we have stepped up to meet those tasks:

1) Supporting Adult Social Care (including hospital discharge) by;

- *Ensuring over £8 million of additional Government funding is providing rapid support to our residential and domiciliary care sectors, meeting the additional costs of PPE, paying for vacancies, providing extra nursing and social care staff as part of a joint response team*
- *Successfully reducing Covid-19 infections in care homes – Devon and Torbay have the lowest proportion of care homes with outbreaks in the South West, itself the lowest region in England – whilst maintaining the highest occupancy levels.*
- *Helping our acute hospitals to maintain a high level of bed capacity – average 50% -- as the pandemic progressed to a peak.*

2) Supporting the vulnerable to stay at home by;

- *Supporting over 34,000 medically vulnerable to stay at home*
- *Providing over £300,000 in grants to over 400 community organisations*
- *Creating a hardship fund of £1 million for economically vulnerable people*
- *Taking 270 rough sleepers off the streets and supporting homeless people*

3) Supporting the economy by;

- *Paying £290 million in Government business rate grants to over 18,000 businesses*
- *Delivering a Covid-19 business advice and support service via the Growth Hub on behalf of the Heart of the South West LEP*
- *Running an online careers fair in partnership with the LEP.*
- *Creating a joint Business and Economy Recovery Task Group -- working with business leaders and Government departments to develop a plan for recovery based on the three pillars of Restart, Regrow and Reset.*
- *Providing economic impact analysis and recommendations for the Government's Local Economies Advisory Panel*

All of this is being achieved while still maintaining essential non-Covid services in local government and health.

As we move into the next phase of the Covid response the role of "Team Devon" – working together without boundaries -- becomes ever more important.

Thanks to excellent teamwork our county has so far seen one of the lowest incidences of Covid-19 infection and death in the country and given our demographic profile we share the Government's determination to avoid a resurgence of Covid-19 cases. As "Team Devon" we will support the new test and trace service and develop and action a local outbreak control plan which will help to achieve the joint aims of 'saving lives and saving livelihoods'.

Major bedrock industries, tourism and hospitality, have locked down since the end of March. Our evidence shows the loss of the summer season will result in a massive £1 billion cut to the Devon economy. Effective local management of testing and tracing will be key to enabling our tourism industry re-opening with confidence, not a day too late nor a day too soon.

The backdrop to this is the significant number of economically vulnerable Devon communities and corresponding high levels of demand for local government support. The impacts of Covid-19 have seen 100% rises in Universal Credit claimants. We estimate more than 120,000 people are on furlough with a loss of personal income of £36 million.

Devon has six local authority districts in the 25 areas of Britain that are most at risk according to RSA research while BEIS has also highlighted the Devon economy as 'red' rated in its own economic modelling. This picture serves to highlight the increased demand for our services and the vital role all tiers of local government (County, District, Town and Parish Councils) play in helping people and businesses to recover, at a time when council finances are fragile.

We have great opportunities that, with the right investment, can deliver a zero-carbon economy providing new, high value employment and give the Devon economy the best chance of bouncing back stronger.

To continue with this work, however, we need financial stability to overcome an £85.7 million shortfall across the County and District authorities. The financial sustainability of many core services provided by our districts and many of our larger town councils is reliant on fee income from, for example, car parking, licensing and planning which has been severely cut during the lockdown.

We therefore ask you to provide certainty that our shortfall in Devon will be met so that we can continue to protect lives, protect livelihoods and support the Government's Covid-19 Recovery Strategy.

Yours sincerely



Councillor John Hart
Leader of Devon County Council



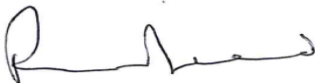
Councillor Ken Browne
Chair of DALC



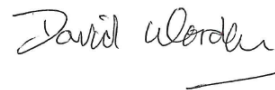
Mark Williams
Chief Executive of East Devon District Council



Councillor Phil Bialyk
Leader of Exeter City Council



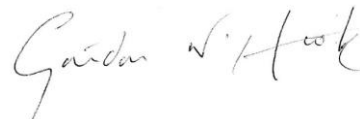
Councillor Bob Deed
Leader of Mid Devon District Council



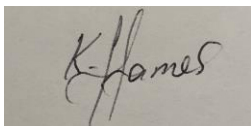
Councillor David Worden
Leader of North Devon District Council



Councillor Judy Pearce
Leader of South Hams District Council



Councillor Gordon Hook
Leader of Teignbridge District Council



Councillor Ken James
Leader of Torridge District Council



Councillor Neil Jory
Leader of West Devon Borough Council

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28 May 2020

Dear Colleague,

COVID-19 RESPONSE AND LOCAL GOVERNMENT FUNDING

I would like to thank you and your colleagues for your continued work in supporting the country's response to the Covid-19 pandemic. Local government has been on the front line of this unprecedented national emergency. I am also grateful for the support that you have provided to the department.

On 14 May, the Secretary of State wrote to the Housing, Communities and Local Government Select Committee, outlining the measures the Government has put in place to support councils in responding to the pandemic.

The Government has made £3.2 billion available to support local authorities in meeting the costs of the activities that they have been asked to deliver, including: adult social care; children's services; public health services; fire and rescue services; waste collection services; shielding the clinically extremely vulnerable people; homelessness and rough sleeping; domestic abuse; supporting the NHS; and managing excess deaths. This funding is un-ringfenced on the basis that councils are best placed to determine the specific needs of their local communities. We have received a number of enquiries from councils about which services are specifically funded in the £3.2 billion. Annex A sets out the service areas which Ministers have signalled, in their communications, that councils should prioritise.

On top of the £3.2 billion, the Government has announced: £600 million for infection control in care homes, £300 million to support the new test and trace service, £50 million for the Reopening High Streets Safely Fund and plans to accelerate £433 million of funding announced for long-term, sustainable rough sleeping accommodation.

More broadly, the Government has committed over £27 billion to local areas to support councils and their communities. Annex B provides further detail on the additional support made available to local areas from across Government.

Alongside this funding, the Government has provided over £5 billion of cashflow support including: the deferral of local authority payments of the Central Share of retained business rates, valued at £2.6 billion and up-front payment of £1.8 billion of business rates reliefs and £850 million of social care grant.

I would like to thank you for your response to the May's COVID-19 local government finance monitoring exercise, the data provided as part of this exercise is crucial in helping to inform our understanding of both the expenditure and income pressures councils are facing. As Ministers have indicated, the latest returns suggest total COVID-19 related expenditure pressures for March to May equated to £1.25 billion, which falls within the £3.2 billion of un-ringfenced grant the Government has provided to date.

Finally, we have had very informative discussions with a number of councils who have been particularly affected by COVID-19 and I would encourage any local authority with concerns to contact us. Any discussions will be confidential.

I recognise this is a constantly evolving landscape so we will continue to work with you closely over the coming weeks to further understand the impact that the pandemic is having on your responsibilities and finances.

Alex Skinner
Director, Local Government Finance

Annex A

This annex provides a comprehensive list of the areas Government has asked local government to prioritise during the COVID-19 crisis in relation to the £3.2 billion of additional financial support.

Adult social care - Councils should use the funding provided to meet the increased costs for adult social care as a result of COVID-19 and to provide additional support to social care providers who need help with COVID-19 related costs. This could include those with whom councils do not have contracts if they are under financial strain. Councils have a role in ensuring that, in particular, small providers are aware of the support and advice available to them and are acting upon it.

As part of this local authorities have a central role in the critical national task of controlling the outbreak in care homes. The Government has announced an additional £600 million for infection control in care homes, this funding will support care homes to reduce the rate of transmission in, and between, care homes and support wider workforce resilience.

Children's services - The funding provided by Government should meet extra costs in children's services including: pressures on the workforce as a result of COVID-19 related absences and any increased case management activity or cost for children in need, home to school transport, special education needs and disability, care-leavers, foster care, residential provision and the need for increased accommodation to address the need for isolation, including unaccompanied asylum-seeking children.

Public Health - The response to COVID-19 has seen an increased pressure on public health services, in particular, drug and alcohol treatment services, sexual and reproductive health services and support for children and families. In line with NHS Community Health Services guidance, local authorities are operating a minimum level of service but social distancing measures and staff absence/redeployment has necessitated a change in service delivery model and increased pressure on the workforce.

Fire and rescue services - Ensuring our emergency services have the resources to continue to operate during the pandemic is essential. Therefore, Fire and Rescue authorities have been provided with a funding allocation to support them with the increased pressures on staffing due to self-isolation and caring responsibilities and to ensure they can support the work of Local Resilience Forums.

Waste management services - The Government recognises the pressures which have been placed on waste management services as a result of the pandemic. Part of this funding allocation is therefore to address the increase in volume of household waste being generated, as households are switching consumption away from restaurants and workplaces to the home.

Shielding the clinically extremely vulnerable people - Government has asked councils to provide support for the 2.2 million clinically vulnerable people who are shielding themselves from the virus by staying at home. This includes meeting the basic care needs of those shielding (for example through check in and chats), making contact with people where the national call centre has tried to be in contact with them but been unable to/the contact has been inconclusive, and coordinating food packages for those with special dietary requirements.

Homelessness and rough sleeping – Government has asked local leaders to help rough sleepers into alternative accommodation. This was to protect their health and stop wider transmission, particularly in hot spot areas, and included those in assessment centres and shelters that are unable to comply with social distancing advice.

Domestic abuse - The Government has also asked that councils ensure domestic abuse services are well supported and equipped to deal with what are already challenging situations, and even more so during these uncertain times. Councils should prioritise supporting survivors of domestic abuse into safe accommodation, providing support where councils deem it necessary in order to protect victims. Councils should work closely with domestic abuse safe accommodation providers to ensure that victims of domestic abuse and their families, including those out of area, can be provided with safe emergency accommodation with appropriate support to avoid further pressures on frontline homelessness services.

Managing excess deaths - Councils should use the funding for any costs relating to managing excess deaths, in response to an increased pressure to ordinary death management provision.

Annex B

This annex provides further detail on the additional support made available to local areas from across Government, totalling around £24.3 billion. This funding is in addition to the £3.2 billion of un-ringfenced financial support that the Ministry of Housing, Communities and Local Government has made available to local authorities, bringing the total amount of additional support to over £27 billion.

Care homes - The Adult Social Care Infection Control Fund was announced in May and is worth £600 million. The primary purpose of this fund is to support adult social care providers, including those with whom the local authority does not have a contract, to reduce the rate of COVID-19 transmission in and between care homes and support wider workforce resilience.

Test and Trace service - Local authorities will be central to supporting the new test and trace service across England. Recognising this, the Government announced that £300 million will be provided to all local authorities in England to develop and action their plans to reduce the spread of the virus in their area.

Small businesses - Several grants to support small businesses in local areas have been made available. In March, the Government announced a total of £12.3 billion of support through the Small Business Grants Fund and the Retail, Hospitality & Leisure Grants. In May, a further £617 million was made available to support small businesses through the Discretionary Local Authorities Grants.

Business rates - Businesses are also receiving discounts of almost £9.7 billion on their rates bills in response to COVID-19, with those hardest hit by the pandemic in the retail, hospitality and leisure sectors such as shops, cafes and pubs, paying no business rates whatsoever this financial year. This was initially announced in the Budget and series of further measures to extend the support have since been announced.

Council tax - The Government has provided billing authorities in England with a £500 million hardship fund to enable them to support economically vulnerable people and households in their local area by providing them with a further reduction in their council tax.

Rough sleeping - Rough sleepers, or those at risk of rough sleeping have been supported by £3.2 million of initial emergency funding if they need to self-isolate to prevent the spread of COVID-19. This funding was announced in March and has been made available to all local authorities in England and reimburses them for the cost of providing accommodation and services to those sleeping on the streets to help them successfully self-isolate.

Lifeline transport links - The Government has safeguarded vital transport links to the mainland for people living on the Isle of Wight and the Isles of Scilly during the COVID-19 pandemic, with an emergency package of up to £10.5 million. This fund will help ensure these communities continue to have access to vital medical services on the mainland while protecting the flow of supplies to these regions.

Local bus networks - The Government announced in April that funding of up to £167 million will be paid to bus operators and councils (up to £21.5 million will be paid directly to councils) over 12 weeks through the Covid-19 Bus Services Support Grant. This will help maintain bus services at a level which is sufficient to meet reduced demand and allow adequate space between passengers on board. This is in addition to existing bus grant payments. On 23 May, the Department for Transport announced further support for buses and will be publishing the terms of the package shortly.

Trams and light rail - The Government has announced a £27.4 million package of support for light rail systems in England. The funding will help services continue to run and enable key routes to remain open in Sheffield, Manchester, West Midlands, Nottingham, and Tyne and Wear for people travelling to hospitals, supermarkets or those who cannot work from home. On 23 May, Department for Transport announced further support for trams and light rail systems and will be publishing the terms of the package shortly.

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