

West Devon Hub Committee



West Devon
Borough
Council

Title:	Agenda								
Date:	Tuesday, 19th September, 2023								
Time:	2.00 pm								
Venue:	Chamber - Kilworthy Park								
Full Members:	<p style="text-align: center;">Chairman Cllr Ewings Vice Chairman Cllr Renders</p> <p><i>Members:</i></p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td>Cllr Bridgewater</td> <td>Cllr Leech</td> </tr> <tr> <td>Cllr Daniel</td> <td>Cllr Moody</td> </tr> <tr> <td>Cllr Edmonds</td> <td>Cllr Mott</td> </tr> <tr> <td>Cllr Jory</td> <td></td> </tr> </table>	Cllr Bridgewater	Cllr Leech	Cllr Daniel	Cllr Moody	Cllr Edmonds	Cllr Mott	Cllr Jory	
Cllr Bridgewater	Cllr Leech								
Cllr Daniel	Cllr Moody								
Cllr Edmonds	Cllr Mott								
Cllr Jory									
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	
In accordance with the Code of Conduct, Members are invited to declare any Disclosable Pecuniary Interests, Other Registerable Interests and Non-Registerable Interests including the nature and extent of such interests they may have in any items to be considered at this 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)	
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Minutes of meeting held 11 July 2023	
5. Public Questions	
a period of up to 15 minutes is available to deal with issues raised by the public	
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Agenda Item 4

At a Meeting of the **HUB COMMITTEE** held in the **Council Chamber, Kilworthy Park, Tavistock** on **TUESDAY** the **11th** day of **JULY 2023** at **3.00 pm**

Members in attendance

*** Denotes attendance**

Ø Denotes apology for absence

* Cllr A Bridgewater	* Cllr T Leech
* Cllr L Daniel	* Cllr J Moody
* Cllr C Edmonds	* Cllr C Mott
* Cllr M Ewings (Leader)	* Cllr M Renders (Deputy Leader)
* Cllr N Jory	

Other Member(s) also in attendance in a non-voting capacity:

Cllrs Dexter, Johnson, Mann, Oxborough, Squire, Viney and West

Officers in attendance

Chief Executive, Deputy Chief Executive, Director – Place & Enterprise; Monitoring Officer; Democratic Services Manager; Head of Housing (via Teams); Head of Revenues & Benefits; Assistant Director – Strategy & Organisational Development; Assistant Director – Waste & Operations

***HC 01/23 PUBLIC QUESTION TIME**

It was noted that no Public Questions had been received in accordance with the Hub Committee Procedure Rules.

***HC 02/23 DECLARATIONS OF INTEREST**

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

***HC 03/23 MINUTES**

The Minutes of the Hub Committee meeting held on 7 March 2023 were confirmed as a correct record.

***HC 04/23 HUB COMMITTEE FORWARD PLAN**

Members were presented with the latest version of the Hub Committee Forward Plan that set out items on the agenda for Hub Committee meetings for the next four months and noted its content.

***HC 05/23 SETTING PRIORITIES FOR THE NEW COUNCIL**

The Hub Committee considered a report that set out an outline timeline for the development of a new strategy for the Council.

During the ensuing debate, the following points were raised:

- (a) It was recognised that the currently adopted 'A Plan for West Devon' had been a success story for the Council and the intention of the new strategy would be to build upon this success;
- (b) A number of Members highlighted that one of the main intentions of the proposed timeline was to involve all Members in the development of the new strategy. As a result, it was emphasised that all Members should embrace the opportunity to be involved in the process by attending (and actively partaking) at each respective Hub Advisory Group meeting.

It was then:

RESOLVED

1. That the timeline and approach for development of the next iteration of the Council's Corporate Strategy be approved;
2. That, working with the Senior Leadership Team and the Assistant Director of Strategy over the coming months to refine priorities for the next four years, a new draft Corporate Strategy be ready for consideration by the Hub Committee at its meeting on 21 November 2023; and
3. That the intention be noted that, following the meeting on 21 November 2023, a period of consultation be undertaken to inform the final Strategy prior to its adoption by Full Council.

***HC 06/23 QUARTER 4 INTEGRATED PERFORMANCE MANAGEMENT REPORT**

A report was considered that provided a progress update on the final quarter of the 2022/23 operational year against the 'Plan for West Devon' delivery plan, which included information on key service performance and the strategic risk profile for the Council.

In the ensuing debate, reference was made to:

- (a) performance reporting in the short-term. Officers confirmed that, until a new Corporate Strategy was adopted, the Hub Committee would continue to be in receipt of quarterly performance reports on the 'A Plan for West Devon: Year 3 Delivery Plan';
- (b) the eco museum proposal. Such were the difficulties in progressing this proposal, it was noted that it had been removed at the point of adopting the Year 3 Delivery Plan;
- (c) the waste and recycling service performance. The improvements in the performance of the waste and recycling service were welcomed by the Committee;
- (d) planning enforcement cases. Members acknowledged that recent performance had been attributed to a significant increase in planning enforcement cases received by the Council.

It was then:

RESOLVED

That the Quarter 4 Integrated Performance Management Report covering the period January 2023 – March 2023 be noted.

***HC 07/23 PUTTING HOUSING FIRST**

Members considered a report that set out the Council's aspirations for the new Council term in relation to Housing matters

During discussion, reference was made to:

- (a) relationships with local Housing Associations. When questioned, officers confirmed that they had positive working relationships with their Housing Association colleagues;
- (b) some concerns related to the local Housing Associations. In recognising that the draft Overview & Scrutiny Committee Work Programme included provision for senior representatives from the local Housing Associations to attend a future Committee meeting to respond to Member questions, it was hoped that the following concerns would be adequately reflected during this session:
 - the vast number of property disposals throughout the Borough;
 - the apparent lack of investment in a repairs and maintenance programme; and
 - the need to improve energy efficiency across the Housing Stock in the Borough;
- (c) regular update reports to the Committee. In recognition of the declared Housing Crisis and there being a number of projects that had already commenced, it was confirmed that regular update reports would be presented to the Committee. Furthermore, it was confirmed that copies of the latest Housing Needs schedule and an update on the Seamoor Lettings initiative would be circulated to Members outside of this Committee meeting;
- (d) the concluding comments of the Leader. Whilst not wishing to pre-empt the work into the development of a new Corporate Strategy (Minute HC 05/23 above refers), the Leader stated that Housing would be an absolute priority area for this Council administration.

It was then:

RESOLVED

That the prioritisation by the Council of its resources and influence to improve affordable and social housing outcomes in the Borough be endorsed and that action to benefit the greatest number of homes and help the greatest range of residents in need, be taken.

***HC 08/23 COST OF LIVING CRISIS: PLANS FOR HOUSEHOLD SUPPORT FUND 2023 TO 2024 AND COUNCIL TAX SUPPORT FUND ALLOCATION**

Members were presented with a report that sought approval for the implementation of a range of support measures to assist residents who were experiencing extreme hardship during the current Cost of Living crisis.

During debate, particular reference was made to:

- (a) the eligibility to claim Pension Credit Guarantee Credit (PCGC). When questioned, the lead officer confirmed that, despite writing to 144 pensioners living in the Borough, the response rate continued to be very low. As a consequence, the officer informed that further steps were being taken to directly contact these individuals;
- (b) offering support to Carers. It was proposed that a specific report on offering support to Carers would be presented to a future Hub Committee meeting;
- (c) an additional recommendation. Such were the number of detailed questions that were being raised on this agenda item, coupled with the complexities associated with the Benefits service, that an additional recommendation was **PROPOSED** and **SECONDED** as follows:

'g) That the Head of Revenues and Benefits be instructed to: arrange an all Member Briefing on Benefits in the upcoming weeks'.

Given the number of recently elected new Members, this suggestion was welcomed by the Committee.

It was then:

RESOLVED

That the Head of Revenues and Benefits be instructed to:

- a) take immediate steps to progress support payments of £150 to single income households in receipt of Council Tax Reduction, and not receiving passported benefits, on 1 August 2023, with a further payment of up to £250 being made in December 2023;
- b) take immediate steps to progress support payments of £150 to residents with caring responsibilities i.e. those receiving Council Tax Reduction and Carers Allowance and/or a council tax carers disregard on 1 August 2023, with a further payment of up to £250 being made in December 2023;
- c) take immediate steps to progress support payments of £150 to residents receiving War Disablement Pension on 1 August 2023, with a further payment of up to £250 being made in December 2023;
- d) work with Armed Forces' charities and other affiliated organisations to identify other veterans the Council wishes to support;
- e) release the balance of funding in three tranches for an open application process, to cover the periods July to September 2023, October to December 2023 and January to March 2024;

- f) use the balance of the Council Tax Support Fund allocation to top-up the Exceptional Hardship Fund; and
- g) arrange an all Member Briefing on Benefits in the upcoming weeks.

***HC 09/23 WASTE AND RECYCLING SERVICES UPDATE**

The Hub Committee considered a report that provided an update on the progress and performance of the waste and recycling service since the variation of the joint contract with South Hams District Council on 3 October 2022.

During the ensuing debate, the following points were raised:

- (a) Until the content of the Environment Act 2021 was fully known, officers had considered that there was little merit in undertaking any further work on a three-weekly waste collection proposal;
- (b) With regard to the previous challenges associated with recruiting refuse vehicle drivers, since all rounds were currently being deployed, then that suggested that this issue had somewhat stabilised;
- (c) In light of Members wishing to ask a number of questions that related to the information contained in exempt Appendix A to the presented report, it was then **PROPOSED** and **SECONDED** and when put to the vote declared **CARRIED** that:

RESOLVED

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.

After a twenty-five minute discussion and, once all Members were content that they had no further questions directly related to the exempt appendix, it was then:

RESOLVED

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

It was then:

RESOLVED

- 1) That the improvement in performance of the waste and recycling service in the last 8 months be noted;
- 2) That a Waste Working Group be established to consider the implications of the Environment Act 2021 and provide oversight of the Waste and Recycling contract with FCC; and
- 3) That the contents of (exempt) Appendix A to the presented report be noted and that it also be noted that a further report on the updated costs contained therein, would be considered at a future meeting of the Hub Committee.

(The meeting terminated at 4.55 pm)

Chairman

(NOTE: THESE DECISIONS, WILL BECOME EFFECTIVE FROM 5.00PM ON THURSDAY, 20 JULY 2023 UNLESS CALLED IN, IN ACCORDANCE WITH SCRUTINY PROCEDURE RULES)

Hub Committee Forward Plan

About the Forward Plan

This is the provisional forward plan for at least four months starting September 2023. 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)

About the Hub Committee

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

- Leader of the Council – Cllr Mandy Ewings
- Deputy Leader of the Council, with specific responsibility for Housing – Cllr Mark Renders
- Lead Hub Member for Enabling Inclusive and Accessible Services – Cllr Jeff Moody
- Lead Hub Member for the Economy – Cllr Neil Jory
- Lead Hub Member for the Natural Environment - Cllr Lynn Daniel
- Lead Hub Member for Leisure, Health and Wellbeing - Cllr Tony Leech
- Lead Hub Member for the Built Environment – Cllr Caroline Mott
- Lead Hub Member for Communities – Cllr Adam Bridgewater
- Lead Hub Member for Resources – Cllr Chris Edmonds

Further information on the workings of the Hub Committee, including latest information on agenda items, can be obtained by contacting Democratic Services on 01803 861105 or 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 with *



Forward Plan from September 2023

Portfolio Area	Report Title and Summary	Lead Member / SLT lead / Report Author	Documents to be considered in making decision	Date of Decision	Consultees and means of consultation
Natural Environment	<p>Title: A Renewed Commitment to Climate Change & Biodiversity</p> <p>Purpose: To consider a report that presents a draft statement of commitment on Climate Change and Biodiversity.</p>	Cllr Daniel / Drew Powell / Adam Williams	Report of Principal Climate Change Officer	19 September 2023	
Leader	<p>Title: Supporting our Care Leavers: Council Tax</p> <p>Purpose: To consider a report that sets out proposals in relation to providing Council Tax Exemptions for care leavers.</p>	Cllr Ewings / Andy Bates / Geni Hotchkiss	Report of the Chief Executive	19 September 2023	
Built Environment	<p>Title: Planning Improvement Plan Update</p> <p>Purpose: To consider progress against the six-month review of the Planning Improvement Plan and other planning matters delivered on behalf of the service.</p>	Cllr Mott / Drew Powell / Ali Wagstaff	Report of the Assistant Director Planning	19 September 2023	
Housing	<p>Title: Progress Update on Housing Projects</p> <p>Purpose: To consider a report that provides an update on progress against the Council's declared Housing Crisis.</p>	Cllr Renders / Chris Brook / Issy Blake	Report of the Head of Housing	19 September 2023	
Leisure, Health and Wellbeing	<p>Title: Proposed Changes to the Council Tax Reduction Scheme 2024/25</p> <p>Purpose: To consider a report that proposed some revisions to the Council Tax Reduction Scheme for 2024/25.</p>	Cllr Leech / Steve Mullineaux / Geni Hotchkiss	Report of the Head of Revenues & Benefits	19 September 2023	



Portfolio Area	Report Title and Summary	Lead Member / SLT lead / Report Author	Documents to be considered in making decision	Date of Decision	Consultees and means of consultation
Resources and Performance	<p>Title: 2022/23 Final Revenue and Capital Outturn</p> <p>Purpose: To consider a report that presents the final Revenue and Capital Outturn figures for 2022/23.</p>	CIr Edmonds / Lisa Buckle / Pauline Henstock	Report of the Section 151 Officer	19 September 2023	
Resources and Performance	<p>Title: Revenue Budget Monitoring Report</p> <p>Programme: To consider a report that presents the latest revenue budget monitoring position to the end of July 2023 (Month 4).</p>	CIr Edmonds / Lisa Buckle / Pauline Henstock	Report of the Section 151 Officer	19 September 2023	
Resources and Performance	<p>Title: Review of Capital Programme (Capital Programme Monitoring) and Review of Earmarked Reserves</p> <p>Purpose: To consider a report that presents the latest capital programme monitoring position to the end of July 2023 (Month 4).</p>	CIr Edmonds / Lisa Buckle / Clare Scotton	Report of the Section 151 Officer	19 September 2023	
Resources and Performance	<p>Title: Medium Term Financial Strategy</p> <p>Purpose: To consider a report that presents the Medium-Term Financial Strategy (2024/25 – 2028/29).</p>	CIr Edmonds/Lisa Buckle	Report of the Section 151 Officer	19 September 2023	
Leader	<p>Title: Draft Corporate Strategy</p> <p>Purpose: To consider a report that presents the draft Corporate Strategy for the Council and the proposed approach to consultation.</p>	CIr Ewings / Andy Bates / Neil Hawke	Report of the Assistant Director – Strategy and Organisational Development	21 November 2023	



Portfolio Area	Report Title and Summary	Lead Member / SLT lead / Report Author	Documents to be considered in making decision	Date of Decision	Consultees and means of consultation
Resources and Performance	<p>Title: Review of Capital Programme; Review of Earmarked Reserves</p> <p>Purpose: To consider a report that sets out a review of the Capital Programme and Earmarked Reserves.</p>	Cllr Edmonds / Lisa Buckle	Report of the Section 151 Officer	21 November 2023	
Leader	<p>Title: Draft Revenue and Capital Budget Proposals 2024/25</p> <p>Purpose: To consider a report that sets out a draft set of Revenue and Capital Budget proposals for 2024/25.</p>	Cllr Ewings / Lisa Buckle	Report of the Section 151 Officer	21 November 2023	
Economy	<p>Title: Rural Broadband Connectivity</p> <p>Purpose: To consider a report that provides the Committee with a position statement on rural broadband in the West Devon Borough area.</p>	Cllr Jory / Steve Mullineaux / Gemma Bristow	Report of the Community Digital Connectivity Officer	21 November 2023	
Housing	<p>Title: Social Housing & Private Sector Housing Landlords</p> <p>Purpose: To consider a report that sets out a series of proposals related to Social Housing and Private Sector Housing Landlords.</p>	Cllr Renders / Chris Brook / Issy Blake	Report of the Head of Housing	21 November 2023	
Resources & Performance	<p>Title: Q1 and Q2 Write-Off Report</p> <p>Purpose: To consider a report that outlines the proposed write-offs for approval for the periods Quarter 1 and Quarter 2 of 2023/24.</p>	Cllr Edmonds / Lisa Buckle / Geni Hotchkiss	Report of the Head of Revenues and Benefits	21 November 2023	



Portfolio Area	Report Title and Summary	Lead Member / SLT lead / Report Author	Documents to be considered in making decision	Date of Decision	Consultees and means of consultation
Leader	<p>Title: Corporate Strategy and Delivery Plans 2024-28</p> <p>Purpose: To consider a report that seeks to recommend to Council adoption of both an updated Corporate Strategy and set of Delivery Plans for 2024-28.</p>	Cllr Ewings / Andy Bates / Neil Hawke	Report of the Assistant Director – Strategy and Organisational Development	30 January 2024	
Leader	<p>Title: Draft Revenue and Capital Budget Proposals 2024/25</p> <p>Purpose: To consider a report that sets out a draft set of Revenue and Capital Budget proposals for 2024/25.</p>	Cllr Ewings / Lisa Buckle	Report of the Section 151 Officer	30 January 2024	
Leisure, Health & Wellbeing	<p>Title: Dog Control Public Space Protection Orders</p> <p>Purpose: To consider a report that presents the results of the public consultation exercise into the Dog Control Public Space Protection Orders.</p>	Cllr Leech / Steve Mullineaux / Karen Proctor	Report of the Principal Environmental Health & Licensing Officer	30 January 2024	
Built Environment	<p>Title: Conservation Area Appraisals: Tavistock & Okehampton</p> <p>Purpose: To consider a report that seeks to adopt the proposed new Conservation Area Appraisals for Tavistock & Okehampton.</p>	Cllr Mott / Drew Powell / Ali Wagstaff	Report of the Assistant Director / Planning	30 January 2024	
Built Environment	<p>Title: Okehampton Neighbourhood Plan</p> <p>Purpose: To consider a report that presents the draft Neighbourhood Plan and seeks approval for it to proceed to Referendum.</p>	Cllr Mott / Drew Powell / Graham Swiss	Report of the Senior Strategic Planning Officer	TBC	



Portfolio Area	Report Title and Summary	Lead Member / SLT lead / Report Author	Documents to be considered in making decision	Date of Decision	Consultees and means of consultation

Report to: **Hub Committee**
Date: **19 September 2023**
Title: **A Renewed Commitment to Climate Change and Biodiversity**
Portfolio Area: **Climate Change – Cllr Lynn Daniel**
Wards Affected: **All**
Urgent Decision: **N** Approval and clearance obtained: **Y**

Author: **Adam Williams** Role: **Principal Climate Change Officer**

Contact: Adam.williams@swdevon.gov.uk

RECOMMENDATIONS:

That the Hub Committee NOTES:

- 1. The update regarding the Council's progress on climate change and biodiversity and the emerging priorities set out by the new administration; and**
- 2. The launch of the 'Mayor's Young Person Environment Award'**

That the Hub Committee RECOMMENDS that Council:

- 3. Endorse the Devon Carbon Plan; and**
- 4. Support the Climate and Ecological Bill, and**
 - i. Inform the local media of their decision.**
 - ii. Write to local MPs, asking them to support the Bill.**
 - iii. Write to the CEE Bill Alliance, the organisers of the campaign for the Bill, expressing its support (campaign@ceebill.uk).**

1. Executive summary

- 1.1 The Council declared a climate change and biodiversity emergency on 23 July 2019, it was resolved that the Council sign the Devon Climate

Emergency Declaration (Minute CM 29 refers). This report provides a summary of work undertaken.

- 1.2 Following the elections in May 2023 and formation of the new political administration, the Council is developing its priorities for the next four years.
- 1.3 In line with the ambition set out in the new administration's position statement and its renewed commitment to tackling the climate and biodiversity emergency, it is recommended that the Council should strengthen its position in support of the Devon Carbon Plan.
- 1.4 It is proposed that the Council should support the Climate and Ecology Bill UK which is currently before the House of Commons following its reintroduction on 10 May 2023.

2. Background

- 2.1 Following the declaration of a Climate Change and Biodiversity emergency in 2019, the Council subsequently adopted its Climate Change and Biodiversity Strategy and Action Plan.
- 2.2 The adopted strategy and actions delivered to date have primarily focussed on reducing the Council's organisational carbon emissions and increasing biodiversity on its own land.

3. Climate Change and Biodiversity Update

- 3.1 To date, much of the work undertaken by the Council has been to focus on organisational emissions and work on tackling external emissions and improving biodiversity set out in 'A Plan for West Devon'.
- 3.2 The Council was involved in a successful consortium bid to the LGA (Local Government Association) for support in developing a plan for encouraging greater uptake of retrofitting measures. This was completed in April 2023. The work was focussed on behavioural insights. In particular understanding the barriers to retrofitting homes in the able to pay market and what could be done, in a cost-effective way, to promote people to carry out cheap DIY improvements to improve the energy efficiency of their home.
- 3.3 The trial was focussed on loft insulation. The findings were that cost motivation was the primary driver for energy efficiency as opposed to environmental awareness and that people responded to normative messaging in the promotion of retrofit, as opposed to simply passing on information. We are using the findings to help shape and target future delivery.
- 3.4 We secured £9,900 through the Public Sector Low Carbon Skills Fund to produce a heat decarbonisation plan for our leisure centres. This was completed in March 2023 and the information obtained provides a

- better understanding of our leisure centres and detail around how we can go about fully decarbonising the heating system.
- 3.5 This work will enable us to access further funding to pay for capital works, should this be considered a future priority and subject to a level of match funding.
 - 3.6 Electric Vehicle (EV) charging installation is proceeding following some protracted delays with partner organisations. Four chargers went online at Mill Road, Okehampton and Hatherleigh Car Park in March 2023. Eight chargers remain to come online through the DELETTI scheme by the end of the year in Chagford, Tavistock and Bere Alston.
 - 3.7 An EV Strategy has been developed and was consulted on between 6th June and 6th July. A report will be taken to Hub committee in November to outline the findings and any proposed amendments to the strategy prior to adoption. Delivery of the EV strategy will in part be facilitated in partnership with a consortium led by Devon County Council to apply for funding through the Government's Local Electric Vehicle Infrastructure Fund.
 - 3.8 We are also able to install chargers in house now with a view to increasing the charging availability for future fleet vehicle replacements. Currently we are forecasting 11 installs at 4 Council assets by the end of the year, including Pod point replacements at Kilworthy Park. These will likely be 7- 22kw chargers which are cheaper to install and often come without costly power upgrades. Feasibility is underway at more key assets within the Council's ownership.
 - 3.9 Carbon Literacy Training is being rolled out to staff after two members of staff became accredited Carbon Literacy Training Facilitators. Training is offered regularly, and staff can opt in when training dates are set. The SLT (Senior Leadership Team) and Heads of Service were provided training in 2021 and subsequently the Council has become a Carbon Literate Organisation at bronze level.
 - 3.10 WDBC secured a grant of £30,000 over 4 years from the Forestry Commission in autumn 2022, to plant and maintain 70 large standard trees in parks and greenspaces in Tavistock. The Grounds Maintenance team, in partnership with the Town Council planted these trees in early 2023. Additionally, the opportunity was taken to plant some surplus large trees from other schemes on our smaller open spaces in Tavistock.
 - 3.11 In May 2023, over £50,000 was secured from the Defra 'Tree for Climate' fund via the Plymouth and South Devon Community Forest to establish two 2ha natural woodland regeneration sites on Council owned land near Bedford Bridge (Grenofen) and Harrowbeer Lane (Yelverton). The funding primarily covers the cost of installation of

deer exclusion fencing, monitoring and site maintenance over a 10 year period.

- 3.12 Grounds Maintenance staff have been seeking opportunities to relax grass cutting where appropriate on Council greenspaces to diversify habitat beyond closely cut grass. Further opportunities will be explored to add wildlife interest (potentially by proactively creating wildflower areas) for the 2024 season, and to introducing targeted long grass 'cut and collect' using machinery now available to our Grounds Maintenance team.

4. West Devon Priorities

- 4.1 Firstly, the Council wishes to lead by example and take a vigorous stance on the Climate Emergency and to promote sustainable practices within the Council. This will be achieved through ensuring all staff are suitably trained to ensure they are all making informed decisions on matters the council carries out and how this can influence emissions and biodiversity. A new project evaluation process will be developed and trialled to help address this.
- 4.2 Furthermore, the council will promote the use of renewable energy and support and incentivise low carbon energy projects to reduce emissions as well as improve energy security and where possible, help to drive down costs.
- 4.3 This will be achieved through a continuation of our domestic retrofit programme, delivering Government grants and working with Energy Saving Devon and helping to support community energy groups through our Shared Prosperity Fund programme.
- 4.4 Travel emissions are some of the largest in West Devon, with this in mind, the Council will support walking and cycling. Active Travel is a key component of our work through the Shared Prosperity Fund (SPF). The Council will assess the progress of the Local Cycling Walking Infrastructure Plan being developed through our SPF work and work towards its implementation to improve active travel infrastructure within West Devon.
- 4.5 West Devon is home to important streams and rivers flowing from Dartmoor. Water quality is important not just for leisure and recreation but also ecosystem biodiversity. The Council will work towards eliminating the discharge of raw sewage into rivers within West Devon and to collaborate with relevant authorities and stakeholders to improve sewage treatment and improve monitoring systems.
- 4.6 To this effect, it is proposed that South West Water and the Environment Agency are invited to the Overview and Scrutiny Committee to establish what is happening in our water systems.
- 4.7 To help inform our approach and the community, the Council will provide annual reporting on carbon emissions, on both an organisational and borough-wide basis.

- 4.8 To further underpin the Council's commitment, it is proposed to recognise the efforts of the Borough's young people in carrying out environmental initiatives and to harness the energy and enthusiasm of our youth.
- 4.9 The Council will therefore introduce a 'Mayor's Young Person Environment Award', with the first one being awarded in October and then on a 2 monthly basis with the final award to coincide with the general Mayoral awards.
- 4.10 In recognising the biodiversity, ecological and carbon benefits of trees, a West Devon Tree and Woodland Plan will be developed that will set out a coordinated approach to managing trees on our land, on private land and on development sites.
- 4.11 The plan will ensure we maximise the opportunities for future tree planting whilst protecting existing stock.

5. Proposed Way Forward

- 5.1 At the Council meeting on 22nd November 2022 the Council resolved to 'Note' the Devon Carbon Plan (minute HC. 55/21 and CM53 refers). This Council recognises the impact the Plan can have on tackling the shared ambition on the Climate and Biodiversity emergency.
- 5.2 In view of this, it is proposed that the Council 'endorses' the Devon Carbon Plan and, by doing so, fully aligns itself with partners across Devon.
- 5.3 The Council is recommended to introduce a 'Mayoral Young Person's Environment Award', with the first one being awarded in October then to on a 2 monthly basis with the final award to coincide with the general Mayoral awards.
- 5.4 The Climate and Ecological Bill (CEE), which is currently before the House of Commons following its reintroduction on 10 May 2023, sets out a range of obligations on the Government aimed at tackling the climate and ecological emergency.
- 5.5 A statement from the West Devon CEE Bill Alliance was considered and a motion to support the Bill debated at Council on 28 September 2021 (CM 37/21 and CM 38/21 refers). At the meeting an amendment was proposed and carried to support the Government's Environment Bill and not the CEE Bill. It is now recommended that the Council actively support the Bill and communicate it's intention to do so.

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	This report includes an overview of process in developing the strategy.
Financial implications to include reference to value for money.	Y	The financial implications are as set out in the report.
Risk	Y	None
Supporting Corporate Strategy	Y	Climate Change and Biodiversity
Climate Change - Carbon / Biodiversity Impact	Y	This report directly supports the Council's commitment to tackling climate change and increasing biodiversity.
Comprehensive Impact Assessment Implications		
Equality and Diversity		None as a direct implication of this report
Safeguarding		None as a direct implication of this report
Community Safety, Crime and Disorder		None as a direct implication of this report
Health, Safety and Wellbeing		None as a direct implication of this report
Other implications		

Appendices:

None

Background Documents:

None

Report to: **Hub Committee**
Date: **19 September 2023**
Title: **Supporting our Care Leavers: Council Tax**

Portfolio Area: **Leader – Cllr Ewings**

Wards Affected: **All**

Author: **Andy Bates** Role: **Chief Executive**
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RECOMMENDATION

That the Hub Committee RECOMMENDS to Council the adoption of a Council Tax Discount Scheme for Care Leavers with effect from 1 October 2023.

1. Executive summary

- 1.1 Corporate parenting principles for looked after children and care leavers stress the importance of joint working in supporting care leavers. At the Devon Strategic Corporate Parenting Board, work is underway to look at an enhanced approach to corporate parenting. This includes improving access for those in the care system to work experience and employment and for when they leave care, to housing. The Council has a statutory duty to co-operate with the County Council in making arrangements for improving the wellbeing of children in Devon.
- 1.2 Another way in which we can support care leavers is by awarding a discretionary council tax discount and at a recent meeting, the DfE National Adviser for Care Leavers endorsed this approach. By providing financial support in this way, we can help care leavers manage the transition to adulthood offering financial assistance as many parents do as their children move toward independence.
- 1.3 In July 2016, the government published “Keep on Caring” a strategy for supporting young people from care to independence which highlighted that awarding Council Tax discounts to this group was best practice. Research has been undertaken that shows Devon is currently an outlier nationally in not awarding a

Council Tax discount to all care leavers as of right. The vast majority of two-tier areas already apply a 100% discount up to the care leaver's 25th birthday.

- 1.4 In order to ensure uniformity of approach, the Devon billing authorities (district councils) have been working with Devon County Council to agree a common Council Tax discount scheme which is proposed to be effective from 1 October 2023.
- 1.5 Having consistency across Devon avoids a potential postcode lottery of some care leavers getting support and others not, simply based on where they happen to live. This is because the approach to date has been to provide support through Council Tax Reduction and Exceptional Hardship Funds, which are only accessible to those care leavers on a low-income.
- 1.6 It is important to note that Council Tax discretionary discounts must be funded by the billing authority i.e. West Devon Borough Council. However, in order not to disadvantage care leavers living outside the county area, Devon County Council has agreed to fund the discounts for those living outside of Devon.
- 1.7 It should be noted that the success of the scheme is contingent on the Council (and indeed all districts) receiving data from Devon County Council on a timely basis, which has been problematic to date, and improvements are needed by DCC to ensure the system operates much more effectively in future if care leavers are not to be disadvantaged and have their claims delayed. To this end, Devon County Council has committed to provide updates on any changes on a monthly basis.

2. Background

- 2.1 We have a moral imperative to do our very best for looked after children and care leavers. We can do this by acting in a way a good parent would by providing the necessary care and support to help them reach their potential. Section 13A(1)(c) of the Local Government Finance Act 1992 (as amended) gives the Council discretionary powers to reduce the amount of Council Tax payable for individual cases or by class. This includes reducing the amount payable to zero.
- 2.2 The Government made recommendations in its care leavers strategy "Keep on Caring" that local authorities should consider exempting carer leavers from Council Tax, using their existing discretionary powers under Section 13A. As a result, many Councils have introduced a council tax discount for care leavers.

- 2.3 Care leavers are considered a particularly vulnerable group for Council Tax debt. Moving to independent accommodation and managing their finances for the first time is challenging, as care leavers do so without the family support and the wider network that most young people can rely on, and indeed take for granted.
- 2.4 The Devon billing authorities and Devon County Council have been working together to agree a common Council Tax discount scheme for care leavers with the same qualifying criteria and level of discount across Devon. Any discount awarded using this discretionary power must be funded by the billing authority, i.e. West Devon Borough Council. Devon County Council has agreed to fund the discount for any care leavers living outside of Devon.
- 2.5 There have been informal discussions amongst districts chief executives and with district leaders at Devon Districts Forum, which indicate there is in principle support for this approach, subject to clarifying the financial implications.
- 2.6 The latest information provided by Devon County Council confirms that there are 9 care leavers living in West Devon and liable for Council Tax. We have been working with DCC to obtain consent from care leavers to assess their individual positions. This shows the estimated financial impact to be £3,461 for the period from 1 October 2023 (full year effect of £6,922).
- 2.7 There will, of course, be an ongoing financial impact as young people enter and leave the care system and go on to become care leavers. The high-level age profiled data provided by DCC shows that over the next 5 years we can expect to see approximately 12 care leavers in the system at any time. The actual costs will reflect the individual circumstances of the care leavers, but assuming the current cohort is representative of what will follow we can anticipate annual costs (loss of income) in the region of £7,000 to £10,000. This is considered acceptable and the cost can be financed within the Council's share of the Collection Fund surplus for council tax.
- 2.8 It is critical that DCC provides age profiled data to enable all districts to plan well in advance, providing an understanding of future costs to be factored into annual budget planning processes.
- 2.9 Devon Heads of Revenues and Benefits will work together with Devon County Council children's services department to implement an effective and consistent process.
- 2.10 **Options available and consideration of risk:**
 - a. While the Children Act 2004 places the onus upon county councils to make arrangements for improving the well-being of children in its area, district councils have a duty to co-operate in those arrangements. Supporting with the cost of

living through a council tax discretionary discount will help care leavers manage the transition to adulthood and help make their own home a safe and affordable space.

- b. We could continue with the current non-uniform approach by providing support through Council Tax Reduction and Exceptional Hardship Funds. This is primarily driven by considerations in relation to low income and financial hardship meaning that there is a potential postcode lottery of some care leavers getting support and some not.

3. Proposal and Next Steps

- 3.1 It is proposed that the Council will award a council tax discretionary discount of 100% up to the care leaver’s 25th birthday. The discount will be awarded after the entitlement to all other discounts and exemptions has been assessed. The discount will only apply to care leavers living in Devon, with Devon County Council supporting the approximately 150 care leavers who live outside of the county.
- 3.2 By taking a uniform approach, we will be supporting all Devon care leavers by implementing a scheme which does not stigmatise them and provides a simple process which means all care leavers can access support.
- 3.3 The proposal will impact positively on care leavers as the removal of having to budget to pay their council tax will improve their ability to manage their finances and reduce some of the barriers to day to day living which may currently exist such as the price and scarcity of suitable accommodation in West Devon.

4. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		<p>Under the Children Act 2004 the County Council has a statutory duty to make arrangements for improving the well-being of children in its area relating to–</p> <ul style="list-style-type: none"> (a) physical and mental health and emotional well-being; (b) protection from harm and neglect; (c) education, training and recreation; (d) the contribution made by them to society; (e) social and economic well-being.

		<p>The Council as “a relevant partner” must co-operate in the making of such arrangements.</p> <p>Section 13A(1)(c) of the Local Government Finance Act 1992 (as amended) gives the Council discretion to reduce the amount of Council Tax payable by individual cases or by class.</p>
Financial implications to include reference to value for money		<p>The full cost of any discount awarded under Section 13(A) (1) (c) will be borne by West Devon Borough Council.</p> <p>The actual costs will reflect the individual circumstances of the care leavers, but assuming the current cohort is representative of what will follow we can anticipate annual costs (loss of income) in the region of £7,000 to £10,000. This is considered acceptable and the cost can be financed within the Council’s share of the Collection Fund surplus for council tax.</p>
Risk		<p>If the Council Tax Discount scheme for care leavers is not implemented, it may leave care leavers financially disadvantaged.</p> <p>The Council’s reputation is likely to be damaged and the majority of billing authorities in two-tier areas have implemented schemes to support care leavers with paying their council tax.</p>
Supporting Corporate Strategy		
Consultation & Engagement Strategy		The Scheme has been developed by Devon Chief Executives.
Climate Change - Carbon / Biodiversity Impact		No direct carbon/biodiversity impact arising from the recommendations.
Comprehensive Impact Assessment Implications		
Equality and Diversity		<p>Looked after children and care leavers are some of the most vulnerable residents in our society and can experience some of the worst outcomes as children and moving into adulthood. They are not one of the protected groups outlined in the Equality Act 2010.</p> <p>A full Equalities Impact Assessment was not deemed necessary as this proposal is designed to have a</p>

		<p>positive impact on a cohort of young adults (care leavers). We have considered the impact in terms of age and whilst the proposal is based on the 18 to 24 age range, age has been used as a criteria to accessibility and in a positive way.</p> <p>Care leavers with protected characteristics will be entitled to this discount alongside all other care leavers.</p>
Safeguarding		
Community Safety, Crime and Disorder		None directly arising from this report.
Health, Safety and Wellbeing		The additional support will have a positive impact on the health, safety and wellbeing of care leavers.
Other implications		None directly arising from this report.

Appendices:

A - Council Tax Care Leavers Discount Scheme

Background Documents:

None



West Devon Borough Council

Council Tax Care Leavers Discount Scheme

1. Introduction

- 1.1 This document sets out the Council's approach to awarding discretionary reductions in liability for Council Tax under Section 13A (1) (C) of the Local Government Finance Act 1992 in respect of specified care leavers within the Council's area. The Council has the discretion to reduce or remit liability for Council Tax in relation to individual cases or class (es) of cases that it may determine where national discounts and exemptions cannot be applied.
- 1.2 This policy covers the decision by West Devon Borough Council to support certain care leavers through awarding a discretionary discount and will come into effect on 1 October 2023.

2. Policy objectives

- 2.1 The Council has decided to provide assistance with Council Tax to people who are leaving care, with the DfE National Adviser for Care Leavers endorsing this approach. We have a moral imperative to do our very best for looked after children and care leavers. We can do this by acting in a way a good parent would and by providing the necessary care and support to help them reach their potential.
- 2.2 Care leavers are a particularly vulnerable group for Council Tax debt, and as they move into their own accommodation and begin to manage their own budget it can be a challenging time, exacerbate if they fall behind with Council Tax.
- 2.3 The Council wants to provide support to care leavers **up to their 25th birthday** by awarding a discretionary reduction of up to 100% of the Council Tax liability this means the Council will be providing financial support to care leavers whilst they develop independent lives and the associated life skills.

3. Legislation

- 3.1 Section 13A (1) (C) of the Local Government Finance Act 1992 (as amended by the Local Government Act 2012) states:

Reductions by billing authority

- (1) The amount of council tax which a person is liable to pay in respect of a chargeable dwelling and any day (as determined in accordance with sections 10 to 13)-
- (a) in the case of a dwelling situated in the area of a billing authority in England, is to be reduced to the extent, if any, required by the authority's council tax reduction scheme (see subsection (2));
 - (b) in the case of a dwelling situated in the area of a billing authority in Wales, is to be reduced to the extent, if any, required by any council tax reduction scheme made under regulations under subsection (4) that applies to that dwelling;
 - (c) in any case, may be reduced to such an extent (or, if the amount has been reduced under paragraph (a) or (b), such further extent) as the billing authority for the area the dwelling is situated thinks fit.

- 3.2 This provision stated in (c) above, allow the Council to reduce the Council Tax for any taxpayer in addition to any application for Council Tax Reduction under the Council's scheme.

4. Council Tax Care Leavers Discount Scheme

4.1 Definition of care leaver for the purposes of the scheme

The term 'care leaver' is defined in The Children (Care Leavers) Act 2000 and refers to eligible, relevant and former relevant children:

- The person is someone for whom Devon County Council has acted previously as a corporate parent;
- Relevant children are those young people age 16 and 17 who have already left care and who were 'looked after' for at least 13 weeks from the age of 14 and have been 'looked after' at some time while they were 16 or 17; and
- Former relevant children are those young people aged 18, 19 or 20 who have been eligible and/or relevant.

- 4.2 Care Leavers can also be classified as a 'qualifying' care leaver. This category applies to young people who:

- Left care after 1 October 2001, after they turned 16, but who are not 'eligible' or 'relevant' because they did not fulfil the 13 week criteria;
- Were accommodated, but in residential education, mental/health provision private fostering or Special Guardianship.

- 4.3 Former care leavers born before 2001 will also be designated as a care leaver for the purposes of this scheme.

5. The Council's Policy for Care Leavers

5.1 The Council shall operate the scheme as follows:

Part 1

This applies to the following:

- (a) Care leavers who are the sole occupant of a dwelling and are liable for Council Tax.

Part 2

- (b) Care leavers who are jointly and severally liable with one or more other persons who is/are not a care leaver.

5.2 A reduction in liability will only be applied after the entitlement to national discounts and exemptions have been applied. The liability party must be resident in the West Devon Borough Council area.

6. Reductions for care leavers under Part 1 of this scheme

6.1 The Council, under this policy, will reduce the amount of council tax payable to nil after the application of all other discounts and reductions, where a care leaver as defined in this policy is solely liable for Council Tax.

7. Reductions for care leavers under Part 2 of this scheme

7.1 The Council will reduce the amount of Council Tax payable, by applying a reduction of 50%, after the application of all other discounts and reductions, where one or more care leavers, as defined in this policy, are jointly liable for Council Tax, together with any adults resident in the property who are not care leavers.

8. Exclusions

8.1 This reduction will only apply where the property is occupied. No reduction will apply where the dwelling is no one's sole or main residence or where the dwelling is defined as a second home.

8.2 Where the care leaver is liable for more than one property, the reduction will only be awarded in respect of the dwelling deemed to be their main residence.

8.3 No reduction will be granted where the care leaver resides in a House in Multiple Occupation or where the care leaver resides in a dwelling for which they are not liable for Council Tax.

9. Duration of award

- 9.1 Both the amount and duration of the reduction are at the discretion of the Council and the reduction will be awarded based on the individual circumstances of the care leaver.

10. Change in circumstances

- 10.1 The Council may revise any reduction in liability where the care leaver's circumstances or situation changes.

11. Delegated powers

- 11.1 The Care Leavers Discount Scheme has been approved by the Council, however the Head of Revenues and Benefits is authorised to make technical scheme amendments to ensure it meets the criteria set by the Council.

12. Notification

- 12.1 The Council will issue a written decision, if the application is unsuccessful, or a revised bill and a covering letter within 10 working days of receiving all information needed to assess the application, or as soon as reasonably practicable thereafter.

13. Review of decisions

- 13.1 Where any application is refused, the applicant will be notified that they can ask for the decision to be reviewed. Any request for review must be made by letter or email, within one month of the decision letter.
- 13.2 An independent officer of the Council will undertake the review having regard to any further evidence supplied.
- 13.3 If the applicant is dissatisfied with the outcome of the review, they can, within two months of the Council's reply, appeal to the Valuation Tribunal Service.

14. Financial implications

- 14.1 Discounts made using this power have to be funded in full by West Devon Borough Council.

Report to: **Hub Committee**
Date: **19 September 2023**
Title: **Planning Improvement Plan Update**
Portfolio Area: *Built Environment – Cllr Caroline Mott*
Wards Affected: **All**
Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken:

Author: **Alistair Wagstaff** Role: **Assistant Director Planning**

Contact: Alistair.wagstaff@swdevon.gov.uk

RECOMMENDATIONS:

It is RECOMMENDED that the Hub Committee NOTE:

- 1. progress on delivery of the Planning Improvement Plan and the update on performance;**
- 2. the return to notification of applications in accordance with the adopted Statement of Community Involvement with effect from 1 October 2023; and**
- 3. the proposal to undertake a full review of the existing policy and approach to handling enforcement complaints.**

1. Executive summary

- 1.1 Development Management and Planning Enforcement are key services that form part of the wider planning function delivered by the Council. The services can be complex, contentious and involve significant consultation and engagement with a range of different parties.
- 1.2 As a result, the services are highly visible to our communities, businesses and for those that interact with the service and therefore an important indicator of service quality.
- 1.3 The Planning Service historically has been impacted significantly by high workloads and difficulties in recruitment and retention of staff and as such, its effectiveness and the quality of service has suffered.

1.4 In recognition of this, the Council has adopted and is now implementing a Planning Improvement Plan ('the Plan'). The purpose of this report is to update Members on the progress against key elements of the Plan as part of the progress toward delivering a high-quality Planning Service to the Council and its Customers.

2. Strategic Context

2.1 The Development Management and Enforcement Service forms part of the wider planning function alongside, for example, the Joint Local Plan, strategic planning and neighbourhood planning teams, which are essential to help deliver against the new Council's emerging strategic aims.

3. Background

- 3.1. Implementation of the Plan has focussed initially on resource management. This included an assessment of the costs and income of the service and a capacity and resource review which has informed more detailed analysis to determine the optimum organisational design for the service going forward and to ensure that it can be flexed to meet changing demands.
- 3.2. This has resulted in investment in additional capacity for the service over the past two years, following the provision of additional funding by the Council in September 2021.
- 3.3. Whilst there has been increased stability within the service it remains difficult to recruit and retain planning officers and, as a result, temporary agency staff are still being utilised when needed.

4. Outcomes/outputs

- 4.1. The purpose of the Planning Improvement Plan is to deliver improvements in the following broad areas:
 - Performance
 - Quality
 - Communication
 - Customer and Member satisfaction
 - New Planning Software
- 4.2. We continue to adapt and evolve the planning improvement plan to ensure its continued relevance and focus. For example, the delivery of the new planning IT system has been prioritised in 2023 given its significant benefits to the service and customers.

5. Planning Improvement Plan Delivery

- 5.1. The following section provides an overview of progress to date.

Officer Caseloads

- 5.2. An improved monitoring framework has been implemented, for the service. An optimum case load for the planning officers within the Development Management function has been set to ensure that the workload is achievable, well managed and properly monitored. This will better enable officers to progress their case load of applications more efficiently, which will in turn, improve the performance and timeliness of decisions.
- 5.3. The following table shows the ideal maximum caseload and actual levels of work allocation at present against the case loads of previous year. The figures below were recorded at set periods of time rather than a yearly average.

Officer Level	Optimum caseload per FTE	31 March 2021	17 January 2023	1st August 2023
Principal	12	21	10.75	17
Senior	36	43.6	34.6	29.7
Planning Officer	36	38.4	25.7	22

- 5.4. When compared to 2021 it can be seen that caseloads have reduced to a more balanced position, which is starting to improve performance in terms of applications progressing through the system and customer service.

Service Volumes and Performance

- 5.5. Demand on the service continues to grow. The table below shows the previous 3 years of decisions issued. An increase in applications is a continuing trend for the Council and nationally.

	2020	2021	2022	2023 (to 1st of August)
West Devon	565	583	626	353

- 5.6. The national performance indicators for the determination of both major and non-major applications are a key tool to review the performance of the service. The failure to meet the targets set can lead to the Council being placed in Designation by Central Government. This is monitored closely by the Council and is also another important indicator of the service we provide. The figures below show the performance of the service in 2022 and 2021 as a comparison.
- 5.7. The table below clearly shows that the Planning Service consistently exceeds the national performance indicators. It also indicates the number of each decision type determined with Extensions of Time (EOT). EOTs allow the statutory period of eight weeks for most applications and thirteen weeks for major applications, to be extended by mutual consent. An EOT may be needed for a number of reasons for example, where the Council is

waiting on consultation responses or for additional information from the applicant.

5.8. As can be seen below a large number of these EOTs are required to achieve the current and historic performance. Whilst EOTs are an accepted part of the process, especially for major apps and when a S.106 agreement is needed, the aspiration is that the majority should not require an EOT and should be determined within the statutory timeframe. This aspiration is subject to the overall capacity of the service and the increasing number of applications being received.

5.9. The delivery of all aspects of the Improvement Plan will be key to achieving this. As a target, the aspiration is that under 30% of non-major applications will require an EOT and this will be monitored through the regular updates with the Lead Member.

		2021			2022			2023 April - June Quarter
Type of application	National Target	% in time	% in time with EoT	Total	% in time	% in time with EOT	Total	
SH Major	60%	7%	74%	81%	19%	59%	78%	
SH Non-major	70%	49%	34%	83%	51%	36%	87%	
							92%	

Validation

5.10 The following table show the days it takes to validate a planning application following its receipt.

	31/03/2021	31/03/2022	25/01/2023	29/07/2023
Validation time in days	25.32	27.46	18.91	7.9

5.11 The figures show a positive trend in 2023 following improvements made to the process, the impact of the Planning Charter the new validation checklist and a stable business support team. The marked reduction in the time it takes to validate increases the time for officers to process applications and hence will reduce the need for extensions of time.

5.12 It is envisaged that following the implementation of the new operational IT system for the Planning Service further improvement in these periods is expected with a target of 5 days.

Enforcement

5.13 The management of the enforcement cases being investigated by the service is another important focus of the Plan. There has been positive improvement in terms of how quickly enforcement cases are being handled following a significant change in personnel

within this part of the service over the past 2 years and clear line management for this part of the service.

- 5.14 Members will be aware that they have access to regular case reviews with the enforcement team as and when they are requested, and better prioritisation of cases is now in place.
- 5.15 Nonetheless, there remains a significant number of live cases as demand continues to grow. The table below shows current performance versus previous years.

	31 March 2021	31 March 2022	25 January 2023	1 st August 2023	KPI Target
Outstanding cases	162	163	119	139	120

- 5.16 In order to better align the service with emerging priorities, it is proposed to do a full review of the existing policy and approach to handling enforcement complaints. This will form the basis of a future report to Members.

Engagement with Service Users

- 5.17 Engagement with all customers is important and a key benchmark of success is communication with frequent users such as planning agents and developers.
- 5.18 The Agents Forum now takes place on a 4-monthly cycle to help build and develop relationships. This forum will also be used to identify issues and provide training to agents on matters such as national and local validation requirements and common issues with applications. This will deliver better quality planning application submissions which will, in turn, improve the speed at which they are able to be processed.

Customer Focused IT

- 5.19 The Planning Service has been significantly impacted by its outdated IT software which is resource intensive and provides a limited interface for customers.
- 5.20 In January 2023 the Council commenced the procurement of a new bespoke planning IT system and we are working towards going live by the end of the year. This will deliver significant benefit to the Planning Service and its customers including:
- Streamlining processes and improving data management.
 - Reducing staff time on processes which can be automated.
 - Providing spatial maps to identify sites and applications.
 - Improved customer interface with spatial mapping search functions.
- 5.21 The benefits to the service and more importantly to our customers will be significant from this modernisation process.

Service Efficiency – reducing advertising costs.

- 5.22 As part of the planning improvement plan increased budget monitoring and management is important to deliver the quality of service in a cost-effective way.
- 5.23 Advertising methods for different types of planning application are set nationally but with flexibility in some cases. Advertising is usually through one, or a combination, of the following: site notice display, press advertisement or neighbour notification.
- 5.24 In addition to site notices being displayed in the vicinity, currently all relevant neighbours also receive a copy of the site notice posted to their property. This approach conflicts with our Adopted Statement of Community Involvement (SCI) which requires the advertisement by site notice for applications only, except where an advertisement in a newspaper is also required.
- 5.25 This approach, in addition to rising advertising costs, have resulted in a budget overspend in excess of £5,000 in 2022/23.
- 5.26 It is proposed that with effect from 1st October 2023 we operate in line with our adopted SCI. This, alongside the reduction in the number of words in the descriptions of development placed in the press, is expected to bring back the expenditure in line with the approved budget. There will also be a time saving for localities officers by removing the need to deliver site notices to neighbours.

Planning Fees, Pre-applications and Planning Performance Agreements

- 5.27 A technical and operational review of the charges and fees for the Planning Service has been undertaken. The fees have been reviewed against comparable councils and the new charges are considered a reasonable position striking the balance against cost recovery and providing a service which is accessible and attractive to users. This is particularly important for the pre-applications service we offer.
- 5.28 The use of Planning Performance Agreements (PPA) has been considered and reviewed in the context of national guidance provided by the Planning Advisory Service on behalf of the Local Government Association. A new standard process and templates have been set out for the Council and where such agreements are entered into these will be made available on the relevant principle applications. Where a pre-application is subject to a PPA it will be made available when the pre-application becomes public at the point of an application submission. This provides a clear and transparent process while also allowing a greater degree of cost recovered for the service.

Quality of Design, Connectivity and Future proofing development

- 5.29 Alongside the improvement to process and quality of service the additional resources are also being directed at driving up the quality of the development. A crucial part of this is ensuring that development best responds to the place it is taking place within in terms of its design appearance and connectivity. For large schemes it is important that they function as part of town or village providing connectivity for the new residents but also

improving and dealing with wider accessibility issues. This greater focus is key to delivering better places for our residents.

- 5.30 Through the review of the Joint Local Plan such matters will be set out clearly in new site allocation policies providing enhanced policy requirements for schemes rather than relying on the general Development Management Policies (DEV) as is currently the case in the JLP. Both these approaches will drive forward a better quality of place and meet the needs of the community.

6. Proposed Way Forward

- 6.1 The report sets out a demonstrable improvement in key areas of the planning service which are leading to an improved service overall. It is recognised that further improvement is needed especially in terms of communication and consistency.
- 6.2 The proposals set out in the report will further support the improvement process by increasing the efficiency of the service.

7. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	The Implementation Plan will ensure improved governance and decision-making
Financial implications to include reference to value for money.	Y	Funding has already been put in place within the budget to fund the changes in the Planning Service structure. The continued implementation of The Improvement Plan will deliver improvements in the performance and efficiency of the Service going forward. This will increase capacity within the Service to further develop the Service and development of enhancement to the Service as chargeable items such as Planning Performance Agreements which would increase the Service income reducing the need for additional funding going forward.
Risk	Y	That the Council fails to deliver a Service that meets the expectations of Members and our Customers
Supporting Corporate Strategy	Y	Council, Homes, Environment, Enterprise
Consultation & Engagement Strategy	Y	As part of the Development of the Updated Planning Improvement a Staff Awayday has been undertaken to engage with the service staff and this has been integrated into the proposed plan.

Climate Change - Carbon / Biodiversity Impact		No direct carbon/biodiversity impact arising from the recommendations, however the delivery of the Joint Local Plans Policy DEV32 Delivering low Carbon Development and the recently adopted Climate Emergency Planning Statement are undertaken by the service in the consideration of Planning Applications
Comprehensive Impact Assessment Implications		
Equality and Diversity		N/A
Safeguarding		N/A
Community Safety, Crime and Disorder		N/A
Health, Safety and Wellbeing		The continued delivery of the Planning Improvement Plan will continue to improve the balance of performance and balanced workload of the service staff creating an improved work life balance and the wellbeing of Staff
Other implications		N/A

Supporting Information

Appendices:

None

Background Papers:

None

NOT FOR PUBLICATION

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

Report to: **Hub Committee**

Date: **19th September 2023**

Title: **Progress Update on Housing Projects**

Portfolio Area: **Homes – Cllr Mark Renders**

Wards Affected: **All**

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

Date next steps can be taken:

Author: **Isabel Blake** Role: **Head of Housing**

Contact: **email: Isabel.Blake@swdevon.gov.uk**

RECOMMENDATIONS:

That the Hub Committee:

- 1. NOTE the acquisition of 5 homes through the Local Authority Housing Fund (LAHF 1);**
- 2. AGREE to participate in LAHF 2 and purchase at least an additional 2 properties;**
- 3. APPROVE expenditure to purchase properties through LAHF 2 of up to £410,000 from Section 106 affordable housing contributions;**
- 4. APPROVE expenditure of up to £80,000 from the Affordable Housing Revenue Earmarked Reserve, to modernise 3 Springhill to a suitable standard to be used as additional temporary accommodation;**
- 5. NOTE the details contained in the exempt report (Appendix B) and put on hold further progression of the Spring Hill redevelopment project whilst other options are explored.**

1. Executive summary

1.1 LAHF 1

The Hub in March 2023 approved participation in the Government's LAHF 1 scheme. The Council has now purchased 5 properties in Okehampton (1 x 4bed, 2 x 3 bed, 2x 2bed). These properties will shortly welcome their first cohort of tenants.

1.2 LAHF is a Government grant opportunity offered to Councils to help with the pressures around placement breakdown for Homes for Ukraine guests and to support Afghan families stuck in bridging hotels, and then for the Council's wider housing needs. The Government funded 40% (based on a formula for lower quartile open market property values in the Borough) of the purchase price and 50% for 4 bedrooms plus properties.

1.3 There has been an underspend on the approved budget for this portfolio of £46,241, derived through the successful negotiation of market discount.

1.4 LAHF 2

The Government announced a second funding round - LAHF 2, with slightly different criteria. West Devon were offered the opportunity to purchase 3 more properties. One of which can be used immediately for temporary accommodation whilst the other 2 must be offered to support Afghan families in the first instance. The LAHF funding is again for 40% of the purchase with the Council funding the remaining 60%. DLHUC through negotiation with the Council has agreed to allow the Council to purchase 2 properties for temporary accommodation and one to support Afghan families.

1.5 It is recommended that the Council seeks to purchase 3 properties (subject to funding) through the LAHF 2 scheme. At a total guide cost of £760,000. Requiring approximately £456,000 from the Council to make up the 60% match funding.

1.6 In LAHF 1 a significant amount of funding came from the Homes for Ukraine budget, this is not possible this time. Other than the round 1 underspend of £46,241.

1.7 Alternative Council funding of £410,000 has been identified from aged Section 106 affordable housing contributions.

This will enable the Council to take up the quota of up to 3 properties acquired under LAHF 2.

1.8 3 Springhill

The Council purchased 3 Spring Hill as part of the adjacent Spring Hill project. The property was in poor condition, at the time and requires upgrades to achieve the required Energy Performance Certificate of C or above, including a new roof. Once refurbished this property will be available as temporary accommodation for a homeless family. It is recommended that this work is funded from The New Homes Bonus housing reserve.

1.9 1-2 Springhill

The Councils former temporary accommodation provision at 1-2 Spring Hill received Planning permission in December 2021 (2828/21/FUL) to demolish and construct a new building on a larger footprint to create 11 self-contained apartments, in a mix of 1- and 2-bedroom units for the accommodation of homeless persons. The new development will also include a staff office, bin store and rear courtyard to provide safe outdoor space for residents.

1.10 Since planning consent was secured a delivery mechanism has been sought for construction. After an initial nil response from the market to the original tender process, alternative procurement routes have been implemented to try and secure a suitable contractor to deliver the scheme.

1.11 In April 2023 we secured a formal tender from our selected contractor. The construction cost is as set out in exempt appendix B with a 94-week construction programme. It is therefore recommended the development be paused while all alternative options are considered.

2. Background

LAHF 1

2.1 In March 2023 the Hub approved a recommendation to participate in the Government LAHF scheme and purchase up to 5 properties.

2.2 The Council has now purchased 5 brand new properties, including carpets and white goods and electrical charging points in Okehampton directly from the developer. West

Devon is one of the first Councils in the Country to deliver through this funding route.

- 2.3 These properties will be offered on an affordable rent, which the Council will retain, as temporary accommodation for those in the bridging hotels and displaced due to the conflict in Afghanistan, or those who have travelled under the Homes for Ukraine scheme and their placement has broken down. When it is no longer required by the intended cohort, it will be retained by the council to support its own housing needs.
- 2.4 The total purchase price and additional conveyancing and legal costs total £1,292,776 and has been funded within the project budget as below.

LAHF Government Grant	£601,154
Homes for Ukraine	£545,124
DCC Grant	£192,739
Total Budget	£1,339,017
Total Expenditure*	£1,292,776
Project underspend	£46,241

*An amount of £1,275,364.80 was spent by 31.7.2023, as shown in the Capital Programme monitoring report, which is also an item on this Hub Committee agenda.

LAHF 2

- 2.5 On the 7th June the Government announced a further LAHF scheme, LAHF 2 with a further allocation of funding for a maximum number of 3 properties for West Devon. Under LAHF 2, two of the properties in the allocation were specifically for households on Afghan resettlement schemes currently in bridging hotels and the third property to ease wider temporary housing pressures. Through negotiation with DLUHC the Council has been able to swap the allocation to 1 property for Afghan resettlement and 2 for wider housing pressures.
- 2.6 The Council can afford to participate in LAHF 2, by utilising Section 106 affordable housing contributions currently ringfenced to 1-2 Springhill this will be subject to other decision made within this report. An example model can be found below

3 LAHF 2 PROPERTIES (2 x 2bed, 1 X3Bed)	£760,000
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LAHF 2 Funding (40% of purchase)	£304,000
Balance for WD	£456,000
LAHF 1 Underspend	£46,241
Section 106	£409,759

- 2.7 £410,000 has been identified from S106 contributions (Appendix A highlighted yellow) to fund the balance. Ideally the Council should seek purchase opportunities in other places such as Okehampton to provide a spread of property, however this will very much depend on market availability and affordability.

3 Spring Hill

- 2.8 As part of the main 1-2 Spring Hill project, the Council purchased 3 Spring Hill a 3 bedroom property in need of modernisation for £161,500 when it came to the market. This was to provide greater flexibility and enhanced buildability options for the project. For example, using the property to provide a site office or welfare facilities during construction.
- 2.9 However, this report now seeks approval to refurbish the property to bring it up to Decent Homes standard for use as general needs temporary accommodation.
- 2.10 The property was in a poor condition on purchase and there are internal and external repairs (roof) required. Quotations for the work have been sought and estimated costs are up to £80k.
- 2.11 It is recommended these works are commissioned and funded from the affordable housing revenue reserve which was created using 22/23 New Homes Bonus allocation and has an uncommitted balance of £142,084.
- 2.12 The current programme estimates works will take circa 12-16 weeks to complete and the property will be ready for occupation by the end of the calendar year. This occupation date remains subject to contractor availability.

1-2 Spring Hill

- 2.13 The Council owns 1-2 Springhill Tavistock which currently contains 9 self-contained flats. The building has a covenant which expressly states that WDBC "are not to use or allow to be used any buildings erected on the property for any purpose other than as accommodation for homeless

persons". The building was formerly leased to Westward Housing who returned it to the Council in 2019.

- 2.14 Since that time, work has been ongoing on proposals to improve the quality of this accommodation. In December 2021, the Council obtained planning permission to demolish the existing building and rebuild 11 flats.
- 2.15 Since planning permission was obtained the Council has gone through three different procurement processes to attempt to secure a contractor to take on the build. These have included traditional tender, a framework and finally a 2-stage procurement exercise with Devon Contractors, which commenced in November 2022.
- 2.16 In April 2023 the first stage of the final procurement exercise was concluded. A construction tender price was returned which allowing for project risk contingency gives a construction cost contained in exempt appendix B
- 2.17 Disappointingly, the high investment costs required to deliver this project make the business case unviable and is not considered to represent good value for money when compared to purchasing property on the open market. Furthermore, the construction period does not bring forward temporary accommodation in Tavistock within a satisfactory timescale. is therefore recommended putting on hold further progression of the 1-2 Springhill Redevelopment Project whilst further options are explored.
- 2.18 Since the project commenced, costs and availability of materials, and labour has been dramatically impacted. The war in Ukraine, challenges post pandemic and the vast increases to public works loan borrowing rates have further impacted on the project viability.
- 2.19 To date, the Council has spent £275,000 at risk, which had previously been approved by Council. As the current procurement process is in two parts, the Council now has an opportunity to pause work and look at alternative options for the site and delivery of temporary accommodation. These will include whether a reduced standard refurbishment could be possible whilst still meeting climate commitments and providing accommodation to decent homes standard, negotiation with the adjacent landowner regarding the covenant and consideration of alternative provision elsewhere.

3. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	y	<p>Through measures set out in this report, the Council will be enabled to further support statutory housing duties.</p> <p>The property portfolio will create legally binding landlord & tenant relationships.</p> <p>At present any development of No.1-2 Spring Hill remains subject to the existing covenant and is likely to require a separate agreement by the NHS prior to commencement.</p>
Financial implications to include reference to value for money	y	<p>The purchase of properties through LAHF 1 & 2 and the refurbishment of 3 Spring Hill are made without the reliance on borrowing, instead using S106 affordable housing contributions and, Government funding and earmarked capital reserves.</p> <p>In time these properties will reduce the reliance on more expensive forms of temporary accommodation and provide an income stream by way of the rents payable.</p> <p>It is not recommended to progress with the existing project at 1-2 Spring Hill At present is not considered to represent good value for money nor does it bring forward temporary accommodation in Tavistock within a satisfactory timescale.</p>
Risk	Y	<p>The LAHF properties are all required to be purchased by the end of the financial year. This itself is a significant resource implication. Slippage in the construction industry is a risk, which may require us to consider purchasing nearly new rather than directly from developer.</p> <p>The price and programme for the delivery of the 1-2 Spring Hill scheme is reflective of the key residual risks, which include constrained site access, NHS requirements, Extended single lane</p>

		highway closure, planning conditions and the need to refresh existing utility quotations.
Supporting Corporate Strategy		Homes
Climate Change - Carbon / Biodiversity Impact		The purchase of new residential units will increase our operational carbon emissions, as buildings we will own, but not directly occupy, an increase will be found in our 'scope 3' emissions for electricity (and gas if available) arising from occupier use. Whilst these new buildings will need to be decarbonised if we are to reach our climate emergency declaration aims to become net zero as an organisation by 2030, its important to be aware of emissions forecasts up to 2030. Whilst the emissions factor for gas is largely unchanged (as gas will always emit CO2) the total emission factor for electricity is forecast to be 0.089 kg CO2e/kWh by 2030 (down from 0.267 kg CO2e/kWh currently). This effectively means under a "do nothing" approach, emissions from any electricity consumption will fall by 71% between the most recent year of data and 2030. We haven't been able to calculate the emissions additions associated with these buildings as information is not available to do this. However, as the building will add to our overall emissions by virtue of increase gas and electricity consumption, based on future grid decarbonisation forecasts, the likely cumulative effects of electricity emissions will fall naturally over time. Works instead will need to focus on moving properties off gas.
Comprehensive Impact Assessment Implications		
Equality and Diversity		None directly as a result of this report.
Safeguarding		None directly as a result of this report.
Community Safety, Crime and Disorder		None directly as a result of this report.
Health, Safety and Wellbeing		The LAHF proposal represents an opportunity for the Council to offer self-contained accommodation, in sustainable locations to households who would otherwise need to access pay nightly accommodation, lacking cooking or laundry facilities or holiday lets, at not only significant cost

		to the taxpayer but at detriment to the health and wellbeing of the household, including any children
Other implications		

Supporting Information

Appendices:

Appendix A: S106 Affordable housing contributions

Appendix B: **Exempt** viability report on 1-2 Spring Hill

Background Papers:

None

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West Devon Borough Council
Affordable Housing Section 106 Deposits as at 30th June 2023

Class Code	Site	Date Received	Restriction/ Committed End Date	Conditions	Total S106 Deposits as at 31/06/23 £
2520	Land adjacent to Trescote, Bridestowe - 00465/2014	22/10/2014	10 Years	Affordable Housing	(5,793.11)
	Land Adjoining Belle vue - 03222/2012	12/11/2014	10 Years	Affordable Housing	(7,375.00)
2539	The Beeches, Yelverton - 0302/15	22/06/2017	10 Years	DNP - Affordable Housing	(20,911.90)
2546	Barns At Hurlditch Horn Gulworthy 00358/2010	21/06/2019, 16/08/2022	10 Years	Affordable Housing	(31,949.81)
2535	The Old Post Office Highampton (00740/2014)	22/08/2018	10 years	Affordable Housing	(6,121.51)
2514	Melcroft, Lifton - 00546/2013	29/04/2014, 09/02/2017	10 Years	Affordable Housing	(7,375.00)
2522	Land adj Shellsley North Tawton (02914/2012)	20/02/2015, 18/05/2018	10 Years	1st & 2nd 50% Affordable Housing	(47,136.72)
2512	Livaton Berns, S Tawton - 00707/2014	19/08/2015, 23/08/2018	10 Years	Affordable Housing 1st & 2nd 50%	(12,878.30)
2557	The Highwayman Inn, Sourton (3112/16/Ful)	26/03/2021, 15/6/2021, 24/12/2021	10 Years	Affordable Housing	(87,099.66)
2524	The Barton, Spreyton (01396/2014)	04/03/2015, 24/07/2015	10 years of first occupation	Affordable Housing	(71,530.17)
2508	Land adj Serendipity, Tavistock - 00556/2014	15/08/2017	10 Years	Affordable Housing	(8,261.15)
2510	Land at 68 Plymouth Road, Tavistock - 03076/2012	21/11/2017	10 Years	Affordable Housing	(12,196.61)
2503	Tanglewood, Tavistock - 01191/2013	12/11/2014, 24/04/2017	10 Years	Affordable Housing	(16,831.59)
2543	Land Lower Trendle, Tavistock - 2092/16/Ful	17/07/2020, 04/12/2020	10 Years	100% Affordable Housing Contributions	(44,221.13)
2513	RO 6 Westmoor Park - 00014/2014	20/06/2019	10 Years	Affordable Housing	(7,800.68)
2528	Harewood House Tavistock -2232/17/FUL	09/02/2021	10 Years	Affordable Housing	(164,285.01)
2547	Land Rear of Rowan Cottage, Lewdown, Okehampton - 0825/1	22/11/2019, 04/11/2022	10 Years	Affordable Housing	(55,499.00)
2570	Dell Cote Crapstone (00364/2014	27/09/2021, 16/05/2022	10 Years	Affordable Housing	(7,542.51)
2584	Broomhill Barn Sampford Courtenay (00841/2014)	02/11/2022	NA	Affordable Housing	(15,865.00)
2609	Woodcroft Hse Bwkelly (01165/2013)	13/12/2022	NA	Affordable Housing	(7,481.25)
2616	Devonshire Gardens, North Tawton (1484/17/OPA)	27/04/2023	10 years	Affordable Housing	(91,893.36)
					(730,048.47)

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Report to: **Hub Committee**

Date: **19 September 2023**

Title: **Proposed Changes to the Council Tax Reduction Scheme 2024/25**

Portfolio Area: **Leisure, Health and Wellbeing – Cllr Leech**

Wards Affected: **All**

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

Date next steps can be taken:

Author: **Lorraine Mullineaux** Role: **Principal Benefits Officer**

Contact: **lorraine.mullineaux@swdevon.gov.uk**

Recommendations:**That the Hub Committee:**

- 1. Approves the proposed public consultation on a Council Tax Reduction Scheme for 2024/25 (as detailed in section 3 of the report); and**
- 2. Requests that the results of the public consultation are presented back to Hub Committee prior to a Council Tax Reduction Scheme for 2024/25 being considered for approval by the Council.**

1. Executive summary

- 1.1 There is a requirement to have a Council Tax Reduction Scheme to support residents who qualify for assistance in paying Council Tax. The Local Government Finance Act 1992 requires each billing authority in England to make a scheme specifying the reductions which are to apply to amounts of Council Tax payable by persons, or classes of person, whom the authority considers are in financial need (“a council tax reduction scheme”).
- 1.2 It is an annual requirement for Councils to review their existing Council Tax Reduction Scheme and make a decision whether to continue with the same scheme, replace or revise it.

- 1.3 The scheme has been reviewed annually and was updated in 2023/24 to provide further support to residents impacted by rising household budgets based on known impacts at the time. Whilst the long-term impact of COVID-19, the continued war in Ukraine and increases in energy costs and the cost of living generally are unknown, the Council considers it essential to provide additional financial support to our most vulnerable residents.
- 1.4 In order to make changes to our scheme for 2024/25 we are required by law to consult with major precepting authorities and other persons the Council considers are likely to have an interest in the operation of the scheme.
- 1.5 The final Council Tax Reduction Scheme must be adopted by the Council by 11 March 2024 and cannot be delegated to an officer or committee.
- 1.6 The two proposed changes to the scheme are to remove the Minimum Income Floor (MIF) and to disregard 100% of the 'Limited Capability for Work' element of Universal Credit.
- 1.7 These two changes will ensure that an estimated 455 individuals or families will receive additional financial support. The total cost of the proposed changes will be £164,825 with West Devon Borough Council's share of the total cost (11%) being £18,131.
- 1.8 The Council Tax Collection Fund is in surplus by £3.16m as at 31 March 2023. A distribution of the surplus will be made to all major precepting authorities as part of the 2024/25 Budget setting process. This can be a way of financing the additional cost of the 2024/25 Council Tax Reduction Scheme of £164,825.

2. Background

- 2.1 Council Tax Reduction (CTR) also known as Council Tax Support (CTS) was introduced in April 2013 and replaced the national Council Tax Benefit scheme incorporating a 10% funding reduction. The CTR scheme for working age residents is a local scheme, however the scheme that exists for pension age residents is a national scheme and cannot be varied locally. Therefore, any savings from the scheme must come from working age residents.
- 2.2 Local schemes must take account of:
 - Support for work incentives and in particular avoid disincentives for those moving into work;
 - Our duties to protect vulnerable people (these duties already exist under the Equality Act 2010, The Care Act 2014, Child Poverty Act 2010 and Housing Act 1996);
 - The Armed Forces Covenant.

- 2.3 In 2019, the Council introduced a banded scheme which assessed the maximum level of Council Tax Reduction based on the net income of the claimant and their partner, if applicable. The income bands were amended for the 2023/24 scheme with some bands being uplifted by 20% to reflect additional cost of living pressures.
- 2.4 Since 2013/14, the Council has absorbed the cost of the 10% initial reduction in funding set by the Government following the introduction of the Council Tax Reduction Scheme. This significant cut to funding has resulted in most Councils making changes to their local scheme to balance their budgets.
- 2.5 The following table sets out the annual expenditure and caseload since the banded scheme was introduced. It should be noted that the figures for April are always higher than the rest of the year, due to Universal Credit annual uprating taking place a month later in May, resulting in claimants receiving a higher discount in April.

	Total caseload	Working age caseload	Pension age caseload	Working age expenditure £	Pension age expenditure £	Total expenditure £
April 20	3,357	1,811	1,546	1,764,388	1,908,046	3,672,434
April 21	3,457	1,958	1,499	2,013,508	1,933,832	3,947,340
April 22	3,300	1,858	1,442	1,915,302	1,917,141	3,832,443
April 23	3,280	1,864	1,416	2,115,882	1,944,721	4,060,603

3. Proposed new scheme

- 3.1 With the increased pressure on household budgets as a result of the cost of living crisis, the Council recognises that it needs to continue to provide as much financial support as possible to residents that need it the most.
- 3.2 The new scheme proposes the following changes:

The removal of the Minimum Income Floor (MIF)

The Minimum Income Floor is where the scheme (following an exemption for the first 12 months) assumes a certain level of self-employed profit, which is linked to the national minimum wage, even if the resident didn't earn that amount.

Disregard 100% of the 'Limited Capability for Work' element of Universal Credit.

Currently residents in receipt of Employment and Support Allowance as treated as a passported claim and receive 85% CTR. When they transfer to Universal Credit they are awarded a Limited

Capability for Work element of £390.06 per month. Universal Credit is not a passported benefit and the Limited Capability for Work element is treated as income.

- 3.3 The current scheme penalises both those residents who are trying to set up their own business and those who move from Employment and Support Allowance to Universal Credit. The latter generates a lot of complaints and the Exceptional Hardship Fund has been used to manage this issue, however the fund is limited and, by making this change, we will be able to provide more support to residents with a disability or health condition which affects how much they can work.

4. Impact of current changes to the Scheme

- 4.1 Officers have modelled the impact of the changes outlined in Section 3 of the report. The modelling is shown in the following table.

	Current Working age expenditure £	Current Total expenditure (incl Pensioners) £	Working age expenditure £	Total expenditure (incl pensioners) £	Cost of proposed changes £	Cost to West Devon (11%) £ Total cost of £18,131
MIF modelled changes in July 2023	1,890,109	3,819,818	1,911,882	3,841,591	21,773	2,395
Disregard of Limited Capability for Work element of UC modelled in August 2023	1,901,282	3,816,482	2,044,334	3,959,534	143,052	15,736

* The proportion of an average Council Tax bill charged by West Devon Borough Council to fund the cost of our services is 11%.

- 4.2 The modelling estimates that the number of working age residents claiming Council Tax Reduction will remain constant with the current scheme and the overall cost of the scheme will be comparable with previous years.

4.3 The modelling shows the cost of removing the Minimum Income Floor will be £21,773. This will help 123 claimants with self-employed income as follows:

- 86 claimants will continue to receive the same amount of council tax reduction.
- 19 claimants will receive an additional weekly discount of up to £10.
- 12 claimants will receive an additional weekly discount between £10 and £20.
- 6 claimants will receive an additional weekly discount of above £20.

4.4 The modelling also shows that by disregarding the Limited Capability for Work element from the claimant’s UC award would increase the scheme costs by £143,052. There are currently 332 claims that include the Limited Capability for Work element:

- 70 claimants will receive an additional weekly discount of up to £5.
- 166 claimants will receive an additional weekly discount between £5 and £10.
- 96 claimants will receive an additional weekly discount of between £10 and £25.

4.5 The total cost of the proposed changes will be **£164,825** with West Devon Borough Council’s share of the cost (11%) being **£18,131**.

4.6 The proposed changes will ensure that an estimated 455 individuals or families will receive additional financial support.

5. Proposed Way Forward

5.1 The Hub Committee approves going out to public consultation on the proposed changes to the current Council Tax Reduction Scheme from Monday 2 October 2023 to Sunday 12 November 2023.

5.2 The results of the public consultation exercise will be presented back to Hub Committee, prior to a Council Tax Reduction Scheme for 2024/25 being considered for approval by the Council.

6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	The Welfare Reform Act 2012 abolished Council Tax Benefit and instead required each billing authority to design a scheme for working age residents specifying the reductions which are to apply to amounts of council tax.

		<p>All billing authorities in England are required to have a scheme identifying the reductions payable by residents who are in financial need under Section 13A of the Local Government Finance Act 1992 (updated in 2012). Schedule 1A paragraph 5 of the Act states that for each financial year, Councils must consider whether to revise their scheme or replace it with another scheme and that such decisions need to be made by 11 March in the financial year preceding that for which the revision or replacement scheme is to take effect. If the Council does not make/revise its scheme by 11 March 2024, a default scheme will be imposed on the Council which will be effective from 1 April 2024.</p>
Financial implications to include reference to value for money	Y	<p>The cost of the Council Tax Reduction Scheme is met by West Devon Borough Council, and the major precepting authorities, in proportion to their share of the council tax.</p> <p>Previous CTR schemes have always been modelled on a cost neutral basis, in that the cost of the scheme was the equivalent of the level of Government funding.</p> <p>Removing the Minimum Income Floor and disregarding the Limited Capability for Work element will increase the cost of the scheme by around £164,825. The scheme is projected to cost £3.981 million as opposed to the current cost of £3.816 million. WDBC's share of the increase in cost is around 11% of this i.e., £18,131.</p> <p>The Council Tax Collection Fund is in surplus by £3.16m as at 31.3.2023. A distribution of the surplus will be made to all major precepting authorities as part of the 2024/25 Budget setting process. This can be a way of financing the additional cost of the 2024/25 CTR scheme of £164,825, as although the scheme will cost more, preceptors will be receiving a larger distribution of a collection fund surplus than usual due to the level of the surplus on the fund.</p>
Risk	Y	<p>To reduce the cost to the Council, changes would have to be made to the level of support made to working age claimants. Most local authorities have already incorporated a reduced level of support into their local schemes which should be reviewed on an annual basis.</p>

		There is a risk that the cost of maintaining the current local scheme will increase if the number of claimants increase due to the state of the local and national economy. This is particularly relevant now due to any likely impact of the cost of living crisis which may result in an increase in the working age council tax reduction caseload.
Supporting Corporate Strategy	Y	Supporting the Council's response to the cost of living crisis. Supporting the Council's Quality Council Services
Consultation & Engagement Strategy	Y	We will consult with major precepting authorities regarding the proposed changes to the scheme. We will also undertake public consultation to seek the views of other persons who have an interest in the scheme.
Climate Change - Carbon / Biodiversity Impact	N	No direct carbon/biodiversity impact arising from the recommendations.
Comprehensive Impact Assessment Implications		
Equality and Diversity		Equality Impact Assessments will be completed if required.
Safeguarding		None as a direct result of the report, however the recommendations may help keep vulnerable adults and children safe.
Community Safety, Crime and Disorder		None as a direct result of the report, however the recommendations may reduce crimes such as domestic violence.
Health, Safety and Wellbeing	Y	Financial wellbeing is crucial to our residents and the recommendations in this report are designed to support this.
Other implications		None.

Supporting Information

Appendices:

None

Background Papers:

None

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Report to: **Hub Committee**

Date: **19 September 2023**

Title: **2022/2023 Draft Revenue and Capital Outturn**

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)**

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RECOMMENDATION:

That the Hub Committee RESOLVES to NOTE the draft Revenue and Capital outturn figures for the 2022/23 financial year including the overall Revenue outturn position of an underspend of £79,000 for 2022/23 (1.0% of the total Budget £7.770 million).

1. Executive summary

- 1.1 This report provides Members with the draft Revenue and Capital Outturn position for 2022/23 and provides a schedule of the Reserve balances at 31 March 2023.
- 1.2 There was an underspend of £79,000 on the outturn position for 2022/23 (1.0% of the net budget of £7.770m), as shown in the Draft Statement of Accounts for 2022/23 published on 30 June 2023.
- 1.3 In accordance with normal accounting practice, this underspend has gone into Unearmarked Reserves, with a view to it being reinvested into our core services and the new Corporate Strategy. Unearmarked Reserves have increased by £79,000 in 2022/23 and total £1.569million at 31 March 2023.

2. Background

- 2.1 The Accounts and Audit (England) Regulations 2015 set out the requirements for the production and publication of the local authority's annual Statement of Accounts (SOA).
- 2.2 The draft Statement of Accounts for 2022/23 were presented to the Audit and Governance Committee on 25 July 2023 and can be found at the following link under Item 5: <https://democracy.swdevon.gov.uk/ieListDocuments.aspx?CIId=130&MIId=1910&Ver=4>. This report gave the background around the timing of the publication of the Accounts and advised that Grant Thornton are unable to complete the audit of the 2022/23 Accounts by the deadline of 30 September 2023 due to their lack of staffing capacity.
- 2.3 As mentioned in a letter received from Lee Rowley MP on 18 July 2023 only 27% of Councils nationally have had their Accounts for 2021/22 signed off by their Auditors. **West Devon Borough Council is within this 27%, the 2021/22 Accounts were signed off by Grant Thornton on 22 November 2022 ahead of the end of November deadline.**
- 2.4 The SOA is an essential feature of public accountability, since it provides the stewardship report on the use of funds raised from the public. The closing of accounts is also important to the budgetary process since it confirms the availability of reserves and balances for future use.
- 2.5 The statement of accounts and financial records have been closed, balanced and the draft accounts published and will be audited by our external auditors Grant Thornton during the winter months. If any alterations are required the details will be reported to the Audit and Governance Committee with the external audit accounts report in March 2024. Any impact to revenue or capital resources will be brought to Hub Committee in the Month 10 budget monitoring reports planned for 5 March 2024.

3. Outcomes/outputs

Revenue Expenditure

- 3.1 Revenue expenditure represents the ongoing costs of carrying out day-to-day operations, and is financed from council tax, business rates, fees and charges, government grants and interest earned on investment activity.

- 3.2 In 2022/23 the Council incurred additional costs and a shortfall in income of £1.162m (equating to 15% of the Council's net budget of £7.770million). Many of the additional costs were as a result of the current economic climate with high inflation and the cost of living crisis. The extra costs incurred in the year included the impact of the local government pay award (£230,000) and inflation (over the amount budgeted) for the waste contract and IT costs totalling £289,000. In addition there were additional waste contract costs totalling £328,000 and the Council experienced a shortfall in planning income of £185,000 plus a net income shortfall in car parking of £78,000.
- 3.3 These extra costs and shortfall in income were offset by the Council generating additional investment income from treasury management of £575,000, as a result of the Council realising the opportunity from high interest rates. Overall £1.241m of additional income and reductions in costs were achieved in 2022/23 equating to 16% of the Council's net budget of £7.770 million. This was generated from various services including the extra investment income, salary savings and a reduction in homelessness prevention costs.
- 3.4 Therefore there was an overall surplus of £79,000 on the outturn position for 2022/23. **The 2022/23 budget was £7.770 million and therefore the underspend of £79,000 means that the actual spend was 1.0% less than the budget.** This saving will go into the Council's Unearmarked Reserves which now stand at £1.569 million.
- 3.5 A summary of the main variations from budget in 2022/23 is provided in the table below:

ANALYSIS OF VARIATIONS 2022/23 (% column shows variation against budget)	£000	% variation	
Reductions in expenditure/additional income			
Treasury Management Income – extra investment income on the Council's investments following the recent successive increases in interest rates to 5% as the Bank of England looks to tackle surging inflation	(575)	2300.0%	A
Salary savings – partly due to vacancy savings and partly due to a reduction of £86K in WDBC salary costs following a review of the shared services apportionments for 22/23 (Audit Committee report 14.3.23). West Devon shares the cost of its workforce with South Hams. The £86K reflects the changes in the apportionments from South Hams DC bringing the 77 waste service back in house.	(258)	5.7%	B
Homelessness prevention costs – Mainly due to additional unbudgeted grant income from the Homelessness prevention grants (including top ups).	(203)	-	C
Receipt of small unbudgeted in-year government grants	(40)	-	D
Savings on pension costs due to increased continuing national mortality rates	(26)	5.7%	E

ANALYSIS OF VARIATIONS 2022/23 (% column shows variation against budget)	£000	% variation	
Additional trade waste income	(25)	166.8%	F
Additional garden waste income	(23)	9.3%	G
Other small variances	(91)	-	
Increases in expenditure/reduction in income			
National pay award – the national employer’s pay offer for 2022/23 of £1,925 on all NJC pay points was significantly higher than the budgeted provision of 3%. The pay award resulted in additional salary costs.	230	255.6%	H
Waste and recycling contract additional costs – There are additional costs in 22/23 relating to the uplift in the waste and recycling contract sum, effective from 1 July 2022 (Hub Committee report 12 July 2022)	218	13.2%	I
Waste contract inflation – the actual rate of inflation on the contract was 12.2% and was significantly higher than the budgeted provision of 3%. Contract inflation is based on fuel inflation, wage inflation and consumer price index, all of which were higher than when the budget was set due to the rise in energy costs and inflation.	200	250.0%	J
Waste contract – increase in the number of households/collections from natural property growth.	110	4.4%	K
Planning income shortfall – Planning income is down by £185,000 (39%) against the budgeted income target of £473,000.	185	39.1%	L
ICT software and support contracts – additional costs from above inflation increases, increased number of users on the Council’s network and increase in remote working.	89	18.4%	M
Shortfall in car parking income – There is an income shortfall of £168,000 (16%) against the budgeted income target of £1.036m. Covid and online shopping continue to have an impact and town centre car parks have not made a full recovery. Savings in other areas have partly offset the shortfall in income.	78	6.8%	N
Homelessness costs – additional expenditure on temporary accommodation over and above what is claimable through the DWP subsidy. This is due to a number of factors beyond the Council’s control such as the housing crisis. This has been offset by additional grant income shown above.	52	16.0%	O
TOTAL UNDERSPEND FOR 2022/23	(79)	(1.0%)	

The 2022/23 budget for West Devon was £7.770 million but the actual spend was 1.0% lower, providing an underspend of £79,000 as shown above.

Notes

- A. **Treasury Management income** – investment income is up by 2300% in 2022/23, which equates to additional income of £575,000. This follows the recent successive increases in interest rates to 5% as the Bank of England looks to tackle surging inflation. The rate of return achieved on investments was 3.96% (Link Services March 2023 report).

- B. **Salary savings** – these savings have been generated partly due to vacancies in 2022/23. In addition following a review of the shared services apportionments for 22/23 (Audit Committee report 14.3.23) WDBC salary costs have reduced by £86,000. West Devon shares the cost of its workforce with South Hams. The £86,000 reflects the changes in the apportionments from South Hams DC bringing the waste service back in house.
- C. **Homelessness prevention costs** – this saving of £203,000 is mainly due to additional unbudgeted grant income from the Homelessness prevention grants (including top ups). As set out in the grant conditions, this Government grant is ring-fenced for 2022/23.
- D. **In-year government grants** – various small unbudgeted government grants have contributed to a saving of £40,000 in 2022/23.
- E. **Pension cost savings** – due to increased continuing national mortality rates there is a saving on pension costs of £26,000 (5.7%) in 2022/23.
- F. **Trade waste income** - income exceeded the 2022/23 target by £25,000 which equates to 166.8% of the annual income budget.
- G. **Garden waste income – additional** income of £23,000 was generated in 2022/23 which equates to 9.3% of the annual income budget of £245,000.
- H. **National pay award** - the impact of the employer's pay offer for 2022/23 of £1,925 on all NJC pay points, was significantly higher than the budgeted provision of £90,000 (3%). The proposed pay award resulted in additional salary costs of £230,000.
- I. **Waste and Recycling contract additional costs** – there are additional costs in 2022/23 relating to the uplift in the waste and recycling contract sum, effective from 1 July 2022. Further detail is set out in the Hub Committee report of 12 July 2022, 'Waste and recycling services contract update'.
- J. **Waste contract inflation** - the actual rate of inflation on the contract for 2022/23 is 12.2%. This is significantly higher than the budgeted provision of £90,000 (3%). This has resulted in additional contract costs of £200,000 in 2022/23. Contract inflation is based on the latest published indices for fuel inflation, wage inflation and consumer price index (CPI).
- K. **Waste, recycling and cleansing contract – increase in number of properties** – there is an uplift in the waste collection, recycling and cleansing contract costs of £110,000 in 2022/23 to reflect the increase in the number of properties across the Borough over the last two financial years. The number of properties has increased from 26,140 in March 2021 to 26,679 in October 2022. Going forward an annual cost pressure for additional properties of £50,000 has been built into the base budget for 2023/24.

- L. **Planning income shortfall** – planning income is down by £185,000 (39%) in 2022/23 against the budgeted income target of £473,000.
- M. **ICT software and support contracts** - There are additional costs of £89,000 in respect of ICT support contracts in 2022/23 mainly due to:
- Above inflation increases, e.g. Microsoft Licensing
 - Additional costs for new licenses, laptops and accessories due to an increase in the number of users on our network
 - The acquisition of remote diagnostics software as a result of the increase in remote working
 - Disability Access legislation for the website has required the purchase of tools for monitoring compliance and enhancing access
- N. **Shortfall in car parking income** – There is an income shortfall of £168,000 (16%) in 2022/23 against the budgeted car parking income target of £1.036m. Covid and online shopping continue to have an impact and town centre car parks have not made a full recovery. Savings in other areas have partly offset the shortfall in income leading to an overall net shortfall of £78,000. The income target has been reduced in the 2023/24 budget by £150,000.
- O. **Homelessness costs** – additional expenditure on temporary accommodation over and above what is claimable through the DWP subsidy has been incurred in 2022/23. This is due to a number of factors beyond the Council's control such as the housing crisis. This has been offset by additional grant income shown above in note 'C'.

Capital Expenditure

- 3.6 Capital expenditure represents monies spent on the purchase, construction or major refurbishment of assets. The Council's capital expenditure amounted to £2.049 million in 2022/23 as shown in **Appendix A** (yellow column). The main areas of expenditure were as follows:
- Housing renovation grants including disabled facilities grants (£1.1m)
 - Green Homes Grants (£0.5m)
 - IT scheme (£0.2m)
- 3.7 **Appendix A** provides a breakdown of Capital expenditure by project for 2022/23 and shows how each scheme has been funded.

Borrowing

- 3.8 In 2022/23 the long term borrowing of the Council decreased from £27,726,000 (2021/22) to £27,012,000. Short term borrowing increased from £615,000 to £714,000. This is due to the profiling of the debt repayments where long term borrowing has moved to short term borrowing. Total borrowing as at 31 March 2023 has reduced from £28,341,000 to £27,726,000. No further external borrowing took place during 2022/23.

Revenue Reserves

- 3.9 The Council maintains both capital and revenue reserves. The management of risk and promoting financial resilience is a key principle of our budget strategy and this has helped facilitate our response to both the Covid pandemic and the current cost of living crisis which will have an impact on the Council's finances as well as the finances of the residents of the Borough. Key to the authority's financial resilience are our reserves, which are at a prudent level.
- 3.10 The provision of an appropriate level of balances is a fundamental part of prudent financial management, enabling the Council to build up funds to meet known and potential financial commitments.
- 3.11 The movement in the General Fund Balance (Un-Earmarked Reserves) is summarised below. Unearmarked Reserves have increased by £79,000 to £1.569m at 31.3.2023.

Unearmarked Revenue Reserves	£000
General Fund Balance (Un-Earmarked Revenue Reserve) at 1 April 2022	1,490
Surplus for the 2022/23 financial year	79
General Fund Balance (Un-Earmarked Revenue Reserve) at 31 March 2023	1,569

- 3.12 A schedule of Reserves is attached at **Appendix B**, which shows the contributions in and out of each Reserve during the year with both the opening and closing balances for 2022/23.
- 3.13 Earmarked Reserves have reduced by £0.287m in 2022/23 moving from £9.189m on 1 April 2022 to £8.902m at 31 March 2023 as shown below. The movements in Earmarked Reserves are shown in detail in **Appendix B**.

Earmarked Revenue Reserves	£000
Earmarked Revenue Reserves at 1 April 2022	9,189
Additions to Earmarked Reserves	2,655
Actual Spend of Earmarked Reserves in 2022/23	(2,942)
Earmarked Revenue Reserves at 31 March 2023	8,902

- 3.14 The General Fund reserves (which are made up of the Unearmarked Reserves and Earmarked Reserves) have reduced by £0.20m from the preceding year and stand at £10.47m at 31 March 2023.
- 3.15 This reflects the 2022/23 surplus of £79,000 and an decrease in earmarked reserves of £287,000. Revenue reserves may be used to finance capital or revenue spending plans. The level of Reserves are assessed as adequate for the Council's operations. The Council undertakes a review of the level of its Earmarked Reserves every year as part of the budget setting process.
- 3.16 The total Earmarked Reserves balance at 31 March 2023 of £8.9m includes £307,000 held in the Business Rates s31 Compensation Grant Reserve. This is due to a technical accounting adjustment where Councils were compensated for the business rates holidays that were announced by the Government for the retail, hospitality and leisure sectors in 2020/21 and 2021/22 (this funding is in the s31 Compensation Grant Reserve). This temporary increase in reserves will reverse back out again in the 2023/24 Accounts, to fund the deficit on the Collection Fund. Therefore this is not money which is available for the Council to spend and it is important that this is not misinterpreted in the Accounts, as this is a national issue.

Capital Reserves

- 3.17 The Capital Receipts Reserve (which holds capital receipts which can be used to finance capital projects) has a balance of £70,000 as at 31.3.2023. This reflects the fact that the Council has hardly any capital receipts left that can be used to fund capital projects.
- 3.18 The Capital Grants Unapplied Reserve has a balance of £312,000 as at 31 March 2023. This is mainly Disabled Facilities Government Grant which will be utilised in 2023/24.

Savings and Additional Income

3.19 In line with the budget monitoring updates this outturn report includes a schedule of the savings and additional income that were identified in the 2022/23 budget setting process and provides a year end position, set out in **Appendix C**.

3.20 In 2022/23 £423,000 of savings and additional income were achieved compared to the original target of £271,000. This is mainly due to the additional recycling income generated. Further detail can be found in **Appendix C**.

4. Collection Fund balance as at 31.3.2023

4.1 The Collection Fund shows the transactions of the Billing Authority in relation to the collection of council tax and business rates from taxpayers and its distribution to local authorities and the Government. The income from Council Tax totalled £48.1m in 2022/23 and business rates receivable totalled £8.888m for 2022/23. This is shown in Section 4 of the Statement of Accounts for 2022/23.

Collection Fund balance

2021/22 Business Rates £000	2021/22 Council Tax £000		2022/23 Business Rates £000	2022/23 Council Tax £000
7,218	(742)	Fund balance at 1 April	3,085	(2,446)
(4,133)	(1,704)	Deficit/(surplus) for year	(4,026)	(715)
3,085	(2,446)	Fund balance as at 31 March – deficit/(surplus)	(941)	(3,161)

The balance on the Collection Fund is split between the preceptors as follows:

2021/22 Business Rates £000	2021/22 Council Tax £000		2022/23 Business Rates £000	2022/23 Council Tax £000
1,542	0	Central Government	(471)	0
278	(1,706)	Devon County Council	(85)	(2,204)
0	(269)	Devon and Cornwall Police	0	(350)
31	(101)	Devon and Somerset Fire Authority	(9)	(130)
1,851	(2,076)	Total deficit/(surplus) due to Preceptors	(565)	(2,684)
1,234	(370)	West Devon Borough Council	(376)	(477)
3,085	(2,446)	Fund balance as at 31 March – deficit/(surplus)	(941)	(3,161)

Business Rates

4.2 The Council collected 98.95% of business rates in 2022/23, which was in the top quartile of all Councils nationally. A new earmarked reserve was created in 2020/21 called the s31 Compensation Grant (Business Rates) Reserve. This was set up to hold the s31 grant received in 2020/21 and 2021/22 totalling £3.85m to offset the business rate reliefs given to businesses during the pandemic and the 2020/21 Tax Income Guarantee s31 grant for Business Rates (£0.15m). Under current Collection Fund accounting rules, the s31 grants received are not discharged against the Collection Fund deficit until the following year. In 2021/22 £2.37m s31 grant was discharged to the Business Rates Collection Fund and a further £1.32m in 2022/23.

4.3 The balance on the Business Rates Collection Fund as at 31 March 2023 has moved from a £3.1m deficit to a £0.9m surplus following the release of this s31 compensation grant to the Collection Fund in 2022/23. This compensation grant (amounting to £307,000 as at 31 March 2023) will continue to be applied to the Collection Fund to smooth the impact of the Business Rates deficit.

Council Tax

4.4 The Council collected 98.34% in council tax in 2022/23 which was in the top quartile of all Councils nationally. This was against a target of 97% and this has resulted in an increase in the Council Tax Collection Fund surplus from £2.45m as at 31 March 2022 to £3.16m as at 31 March 2023. The Preceptors' element of this surplus (£376,000 for WDBC) is reflected in the large increase in the Council Tax Creditor as at 31 March 2023 detailed in note 18 to the Statement of Accounts for 2022/23.

4.5 In the 2022/23 Budget, the Council budgeted for a £152,000 collection fund surplus share for WDBC, with a further £377,000 being budgeted for 2023/24.

5. Proposed Way Forward

5.1 Members are advised that the accounts will be audited by our External Auditors, Grant Thornton during the winter months. Following the Audit, the Statement of Accounts will be brought back to the Audit and Governance Committee for approval in March. If any alterations are required the details will be reported to the Audit and Governance Committee with the external audit accounts report in March. Any impact to revenue or capital resources will be brought to Hub Committee in the Month 10 budget monitoring reports planned for 5 March 2024.

6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	The Statutory Powers that apply to this report are Section 151 Local Government Act 1972 Section 21 (12), Local Government Act 2003 and the Accounts and Audit (England) Regulations 2015.
Financial implications to include reference to value for money	Y	<p>The report provides the draft Revenue and Capital outturn figures for the 2022/23 financial year including the overall Revenue outturn position of an underspend of £79,000 for 2022/23 (1.0% of the total Budget £7.770 million).</p> <p>As part of Grant Thornton’s external audit of the Statement of Accounts for 2022/2023, they will assess the arrangements the Council has in place for:-</p> <ul style="list-style-type: none"> • Improving economy, efficiency and effectiveness • Financial Sustainability • Governance <p>The outcome of Grant Thornton’s work in this area will be reported to Members at a future Audit and Governance Committee meeting.</p>

Risk	Y	<p>Public Accountability – the accounts have been drawn up in strict accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 which is recognised by statute as representing proper accounting practice.</p> <p>Resource Planning – the Council takes into account any significant issues when developing the Council’s Medium Term Financial Strategy.</p>
Supporting Corporate Strategy		The Annual Statement of Accounts supports all of the Thematic Delivery Plans within the Council’s strategic vision, ‘A Plan for West Devon’.
Consultation and Engagement Strategy		External consultation and engagement has not been undertaken with regard to this report.
Climate Change – Carbon / Biodiversity Impact		<p>A report was presented to Council on 8th December 2020 ‘Climate Change and Biodiversity Strategy and Action Plan update’.</p> <p>In March 2021, Council approved to set up an Earmarked Reserve for £200,000 for the Recovery Plan and Corporate Strategy.</p> <p>Further detail is set out in the Council’s ‘A Plan for West Devon’ strategic vision.</p>
<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 Capital Programme 2022/23

Appendix B – Schedule of Reserves for 2022/23 (Earmarked and Un-Earmarked)

Appendix C – Summary of Savings and Additional Income 2022/23

Background Papers:

None

WEST DEVON CAPITAL PROGRAMME 2022/23											APPENDIX A	
Code	Capital Scheme	Total Budget	Previous Years		Current Year			Future Years		Comments	Minute Ref	Funding
			Total Expenditure to 31/03/22	Remaining budget	2022/23 Budget	2022/23 Expenditure to 31/03/23	2022/23 Remaining budget	2023/24 Budget	2024/25 Budget			
Assets Capital Schemes												
W8414	Tavistock - temporary accommodation (Springhill)	275,000	155,694	119,306	100,000	90,994.89	9,005	19,306	-	20/21 £109,941.95 (from S106 funding), 21/22 £45,752 (from New Homes Bonus)		S106 funding and New Homes Bonus funding
W8274	Urban Tree Challenge Fund	11,852		11,852	11,852	11,355.56	496	-	-	A capital grant totalling £9,602 has been offered from the Forestry Commission towards an Urban Tree Challenge Fund project in Tavistock. A further £2,250 is coming from Tavistock Town Council. This will fund the planting of 71 trees around the Tavistock area.		Forestry Commission grant, Tavistock Town Council
TOTAL ASSETS CAPITAL SCHEMES		286,852	155,694	131,158	111,852	102,350.45	9,502	19,306	-			
Housing Capital Schemes												
W8001/ W8003	Private Sector Renewals inc Disabled Facilities Grants (DFG's) up to 21/22	1,121,110	607,285	513,826	513,826	513,825.81	0		-	This spend includes £527,553 for DFG and £243,491 for Regulatory Reform Orders (RRO) along with the row below		Better Care Fund
W8001/ W8003	Private Sector Renewals inc Disabled Facilities Grants (DFG's) 2022/23 allocation	697,230	-	697,230	697,230	621,373.79	75,856	-	-	Spend on DFG's is based on demand over which the Council has no control, and at present the service is processing and approving applications in line with this demand. However the policy is being reviewed to allow more flexibility and will go before council in due course. The council has undertaken a rebranding exercise on DFG's to highlight the service/offer to residents who may not identify themselves as being eligible. Applications for grants have widened and we have approved grants for autism and looking to include dementia and hoarding. A recent report to Members (Ref HC 67/21) can be found on the Housing Crisis and changes to Financial Assistance.		Better Care Fund
W8004	Green Homes Grant	683,500	-	683,500	683,500	537,302.92	146,197	-	-	This scheme is now complete. After recharges of £27,369.50, a total grant of £127,836.51 will be repaid to BEIS as unspent, (this also includes a grant overpayment of £9,007.93). Due to slow take up, these remaining funds were not used by the end of the scheme.		Green Homes Grant
W8202	Affordable Housing (Tenants Incentive Scheme)	30,000	-	30,000	30,000	12,500.00	17,500	-	-	Grant to social housing tenants who want to give up family sized accommodation and move to smaller accommodation to help them with moving costs.		Affordable Housing Reserve
TOTAL HOUSING CAPITAL SCHEMES		2,531,840	607,285	1,924,556	1,924,556	1,685,002.52	239,553	-	-			
IT Capital Schemes												
W8316	Future IT	150,000	-	150,000	150,000	49,997.70	100,002	-	-	This cost is being shared 50/50 with South Hams District Council		RCCO (revenue funding)
W8267	AV equipment	-	-	0	-	19,521.00	(19,521)	-	-			Revenue Grants Reserve
W8321	IT Equipment for Council Chamber	70,000	-	70,000	70,000	85,010.15	(15,010)	-	-			Revenue Grants Reserve
W8322	Disaster Recovery Upgrade	68,619	-	68,619	68,619	68,619.40	(0)	-	-	This scheme is for the upgrade of Council's Disaster Recovery server. This cost is being shared 50/50 with South Hams District Council		Revenue Grants Reserve/ICT Reserve
TOTAL IT CAPITAL SCHEMES		288,619	-	288,619	288,619	223,148.25	65,471	-	-			
Other Capital Schemes												
W8400	Community Project Grants	65,000	16,144	48,856	48,856	22,410.50	26,446	-	-	Support for capital schemes across the Borough for things such as large sports equipment, repairs to village halls or large scale tree planting. The maximum typical grant available to any scheme is £5,000 or up to 50% of the project's costs, whichever is the lower. Currently actual plus committed expenditure is £27,430. This has contributed to a total of 9 schemes with a total value of £155,829 (the difference being match funding from other parties). Schemes supported so far this year include village hall upgrades, play area upgrades, defibrillator projects, support for a new emergency vehicle for Dartmoor Search and Rescue Group and an air ambulance landing site.		New Homes Bonus
W8419	Tavistock to Bere Alston Link	50,000	-	50,000	-	-	-	50,000	-	Agreed as part of the 20/21 budgets to move forward the feasibility and preliminary design for a low carbon public transport route between Tavistock and Bere Alston.	CM 65	Capital Receipts
TOTAL OTHER CAPITAL SCHEMES		115,000	16,144	98,856	48,856	22,410.50	26,446	50,000	-			
TOTAL CAPITAL PROGRAMME		3,222,311	779,123	2,443,188	2,373,883	2,032,912	340,971	69,306	0			

Waste Vehicle replaced by FCC - included as Donated Asset in Capital Expenditure

16,000.00

TOTAL CAPITAL EXPENDITURE (reconciled to SOA)

2,048,911.72

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RESERVES - PROJECTED BALANCES					APPENDIX B
	Opening Balance 01.04.2022 £000's	Additions to Reserve 2022/23 £000's	Actual Spend 2022/23 £000's	Closing Balance 31.03.2023 £000's	Comments
EARMARKED RESERVES					
Specific Reserves - General Fund					
Affordable Housing (Revenue)	0	172	(12)	160	This is a new reserve set up as part of the 2022/23 Budget setting process and has been created from a one off contribution from the New Homes Bonus funding in 2022/23 (£172,084).
2016/17 Budget Surplus Contingency	86		(86)	0	This is the Budget Surplus from 2016/17 which was put into an Earmarked Reserve. £55,000 of this spend has been transferred to a new earmarked reserve for Tamar Trails capital expenditure.
Broadband Community Support	50			50	As per the report to the Hub Committee on 1st December 2020, Council approved the creation of a Broadband Community Support Earmarked Reserve, to be financed by transferring £50k from the existing Business Rates Retention Earmarked Reserve in 2020/21.
Car Parking Maintenance	534			534	There is a future commitment for an allocation from this reserve in respect of Brook Street Car Park. This reserve covers all of the Council's car parks.
COVID Losses Earmarked Reserve	254			254	This reserve was set up in 2020/21 to protect against future COVID losses.
Economic Grant Initiatives	26	5	(31)	0	
Elections	34	50	(24)	60	This reserve is used to fund the cost of District Elections
Environmental Health Initiatives	20	84		104	The additions to this reserve relate to savings on Environmental Health salaries in 2022/23 mainly due to additional Disabled Facilities Grant income offsetting salary costs.
Financial Stability	454	163		617	This reserve was created in 2018/19 from the Business Rates Pilot funding. This funding was set aside to assist to smooth out future years' funding variations or reductions, in particular any changes from the Fair Funding Review. A one off contribution of £162,850 was approved as part of the 2022/23 budget (Council Feb 2022)
Flood Works	15		(15)	0	
Grounds Maintenance	78	21		99	This reserve holds the Grounds Maintenance in year surpluses to be reinvested back into the service.
Homelessness Prevention	244		(60)	184	This reserve has been created following underspends on Homelessness Prevention Costs. The spend mainly relates to salary costs following the Housing restructure - Hub 7/6/22. In addition £50k is earmarked for Springhill which is projected to be spent in 2023/24.
ICT Development	25	57	(37)	45	Predicted spend in 2022/23 includes the Future IT project
Innovation Fund (Invest to Earn)	378	5	(7)	376	This reserve originated from New Homes Bonus funding. Future commitments include the upgrading of Hayedown Depot.
Joint Local Plan	0	25		25	
Leisure Services	48	87	(1)	134	The contribution in 2022/23 relates to the re-profiling of the leisure management fees which also attracts an inflationary uplift.
Maintenance Fund (Estates)	361	80	(6)	435	The contribution of £80,000 in 2022/23 was referenced in a report to the Regeneration and Investment Committee on 2 May 2023 with regards to the investment property monitoring report.
Management, Maintenance & Risk Management	418			418	This is a relatively new reserve set up to manage the ongoing maintenance costs of the Council's Investment Property Portfolio.
Neighbourhood Planning Grants	47		(2)	45	
New Homes Bonus (NHB)	506	352	(344)	514	The NHB allocation for 22/23 is £352,084. Spend in 2022/23 includes a £150k contribution to the base revenue budget and £172,084 contribution to the Affordable Housing Earmarked Reserve. In 2023/24 there is a commitment of £193k for Springhill.
Organisational Development	20			20	This reserve was created from external work carried out in other Councils e.g. HR work with Councils also embarking on a Transformation Programme.
Outdoor Sports & Recreation Grants	16		(16)	0	
Planning Policy and Major Developments	146	30	(54)	122	This reserve is for all planning matters and is also required to meet appeal costs. The spend for 2022/23 relates to the Planning restructure. The cost of the first three years of this restructure is to be met from additional planning income in the Planning earmarked reserve (Hub 7/6/22)
Recovery Plan and Corporate Strategy	182		(24)	158	In March 2021 the Hub Committee recommended to Council to transfer £200k of the 2020/21 projected surplus into a new Recovery Plan and Corporate Strategy Earmarked Reserve.
Revenue Grants	1,417	405	(519)	1,303	This reserve comprises of government grants received for specific initiatives or new burdens and are held in the reserve for accounting purposes. The additions in 2022/23 amounting to £405,000 include the Supported Housing Improvement Programme Grant (£104k), New Burdens Council Rebate Final Assessment Grant (£65k) and Contain Outbreak Management Fund Grant (£44k). It is anticipated that a significant amount of these grants will be applied in 2023/24. The grants applied in 2022/23 amounting to £519,000 include the Covid-19 New Burdens Administration Support Grant (£140k), Covid-19 Hardship Fund (£46k), New Burdens Covid-19 Admin Support Grant (£34k) and Covid-19 Local Council Tax Support Schemes Grant (£30k) and various other smaller grants.
Strategic Change (T18)	67			67	£32,567 has been committed as a contribution to the base revenue budget in 2023/24.
Tamar Trails	0	55		55	This is a new earmarked reserve set up in 2022/23 to fund capital expenditure on the Tamar Trails. The £55,000 was transferred from the 2016/17 Budget Surplus Contingency earmarked reserve.
Tree Maintenance	17		(3)	14	A new reserve set up in 2021/22 to hold in year surpluses generated to reinvest back into the Tree maintenance service in future years
Ukraine Humanitarian Crisis	0	669		669	This reserve was set up in 2022/23 to hold funding received to support the Ukraine Humanitarian Crisis which will be spent in 2023/24.
Vehicle Replacement	328	50	(1)	377	This is a new reserve set up to fund the Council's vehicle replacement programme (Council 4 Dec 2018). £50k a year is contributed to this reserve.
Waste & Cleansing Options Review	658	225	(205)	678	In 2022/23 £205k of additional recycling income was transferred to this reserve and this was used to pay for the additional costs of the waste and recycling contract relating to the uplift in the contract sum, effective from 1 July 2022 (Hub Committee 12 July 2022). Future commitments include the capital work at Hayedown depot and an additional vehicle.
Other Reserves below £15,000 (combined)	42	17	(56)	3	
Sub Total excluding the Business Rates Reserves	6,471	2,552	(1,503)	7,520	
Business Rates Retention	1,087	103	(115)	1,075	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. In 2022/23 £75,000 was earmarked to smooth the volatility in business rates.
S.31 Compensation Grant (Business Rates)	1,631		(1,324)	307	This is a new reserve set up to hold the business rates S31 grants received in 2020/21 and 2021/22 to offset the business rate reliefs given to businesses during lockdown. Under current Collection Fund accounting rules, the S31 grants received will not be discharged against the Collection Fund deficit until the following year. This reserve is not money which is available for the Council to spend and it is important that this is not misinterpreted in the Accounts, as this is a national issue.
TOTAL EARMARKED RESERVES	9,189	2,655	(2,942)	8,902	
TOTAL UNEARMARKED RESERVES	1,490	79		1,569	Note: This Unearmarked Reserve has a minimum balance of £900,000 and an operating level of a minimum of £1.25million (set by Members as part of the Budget Process). The 2022/23 surplus of £79,000 has been moved to Unearmarked Reserves, in accordance with normal accounting practice.
TOTAL REVENUE RESERVES (EARMARKED AND UNEARMARKED RESERVES)	10,679	2,734	(2,942)	10,471	

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Summary of Savings and Additional Income from the 2022/23 Budget Setting Process

APPENDIX C

The table below summarises the savings and additional income that were included in the 2022/23 Budget Setting process and indicates whether the saving/additional income were achieved in 2022/23.

	Savings and Additional Income for the 2022/23 Budget	Income/Savings Target for 2022/23 (£)	Outturn for 2022/23 (£)	Narrative
1`	IT FIT Project - software savings	70,000	70,000	Savings achieved in 2022/23.
2	Efficiencies gained from IT and digital communications	20,000	20,000	Efficiencies achieved in 2022/23 mainly from savings on postage costs.
3	Employment Estates - additional rental income	50,000	68,000	The additional rental income budget of £50,000 was achieved in 2022/23 plus an extra £18,000
4	Extra recycling income	60,000	265,000	The extra recycling income target of £60,000 was achieved in 2022/23 plus further additional recycling income of £205,000 was generated. The income achieved in excess of the budget of £205,000 has been moved to the Waste & Cleansing Options earmarked reserve in 2022/23.
5	Extra planning income (to fund four planning specialists and two legal specialists) - Planning Improvement plan - Hub Committee 2 November 2021	71,000	0	There is a shortfall in planning income of £185,000 in 2022/23.
	TOTAL	£271,000	£423,000	

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NOT FOR PUBLICATION

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

Report to: **Hub Committee**

Date: **19 September 2023**

Title: **Capital Programme Monitoring as at 31 July 2023**

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

Wards Affected: **All**

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

Author: **Clare Scotton** Role: **Principal Accountant**
Pauline Henstock **Head of Finance Practice**

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RECOMMENDATION

It is recommended that the Hub Committee RESOLVES to endorse the contents of the Report.

1. Executive summary

- 1.1 The report advises Members of the financial position as at 31st July 2023 for the purposes of budget monitoring.
- 1.2 The monitoring of the Capital Programme at month 4 (end of July 2023) has shown that all projects are within their existing budget approved by Members. A capital budget of £8,290,299 has been profiled for 2023/24 with the remaining capital budgets rolled forward into future years. **The capital expenditure for the first four months of 2023/24 against the profiled capital budget of £1,625,148 (19.6% of the profiled budget) as at the end of July 2023 as shown in Appendix A.**

- 1.3 The Council will carry out a fundamental review of all the capital schemes within the existing Capital Programme in late 2023 as part of the process of developing a new Corporate Strategy. This comprehensive review will identify schemes which have not yet proceeded and those capital projects which are not able to be proceeded with. This will dovetail with the revised arrangement for the development of the Capital Programme which will have a top down approach. The Capital Programme will be informed by the delivery of key priorities within the new Corporate Strategy and will also contain capital projects that are needed to meet statutory health and safety requirements or service delivery requirements.

2. Background

- 2.1 The capital programme for 2023/24 was approved by Council on 21 February 2023 (CM66). This report provides an update on expenditure the Capital Programme.
- 2.2 A new reporting process is in place and the narrative around capital schemes previously included in this budget monitoring report will now be part of the Integrated Performance Management Update reports. The capital budget monitoring report will purely focus on capital expenditure against budget.
- 2.3 The monitoring of the Capital Programme at month 4 (end of July 2023) has shown that all projects are within their existing budget approved by Members. A capital budget of £8,290,299 has been profiled for 2023/24 with the remaining capital budgets rolled forward into future years. **The capital expenditure for the first four months of 2023/24 against the profiled capital budget of £1,625,148 (19.6% of the profiled budget) as at the end of July 2023 as shown in Appendix A.**
- 2.4 The largest part of the expenditure for the first four months of the 2023/24 financial year is £1.275m which has been spent on purchasing five properties in Okehampton. These properties were purchased using funding from the Local Authority Housing Fund (LAHF), Homes for Ukraine funding and funding from Devon County Council (DCC) and these properties will shortly welcome their first cohort of tenants.
- 2.5 There is a separate report on Springhill as part of the Housing update report on this Hub Committee agenda on 19th September. This recommends putting on hold further progression of the Springhill redevelopment project whilst other options are explored.
- 2.6 As shown in Appendix A, the total approved capital budget is £21,679,594. A large amount of the capital budget (£12.997m) is predicted to be spent in 2024/25, with £12.365m of this being for the Okehampton Railway Transport Hub as detailed below.

- 2.7 West Devon Borough Council has been successful in securing a £13.4million bid to develop a new railway station and integrated transport hub on the Eastern edge of Okehampton. The plans will see the construction of a brand new, purpose built station and car park, which will be easily accessible from the nearby A30, built at the bottom of Devon County Council's business park off Exeter Road. The aim to create an area with facilities for bus connections, cycle links and electric vehicle charging. The Borough Council will be the accountable body for the capital project and the estimated capital expenditure (profiled over the next three financial years) has been included within the Council's capital expenditure estimates within the strategy. The funding will be provided by the Department for Levelling Up Housing and Communities (DLUHC) and the project will be delivered in partnership with Devon County Council and NetworkRail.
- 2.8 The Council will carry out a fundamental review of all the capital schemes within the existing Capital Programme in late 2023 as part of the process of developing a new Corporate Strategy. This comprehensive review will identify schemes which have not yet proceeded and those capital projects which are not able to be proceeded with. This will dovetail with the revised arrangement for the development of the Capital Programme which will have a top down approach. The Capital Programme will be informed by the delivery of key priorities within the new Corporate Strategy and will also contain capital projects that are needed to meet statutory health and safety requirements or service delivery requirements.

S106 Deposits

- 2.9 The list of S106 Deposits are shown in Appendix B totalling **£1,409,196** as at 31 July 2023. **£6,102** has been spent on various revenue and capital projects as at this date and **£366,570** has been committed. A breakdown of these projects can be seen on Appendix B.
- 2.10 Some of these S106 Agreements have a clause within the S106 Agreement which states that the Council shall be entitled to use up to a five per cent (5%) part of the total payments and contributions payable pursuant to the provisions of the Agreement, towards the costs to be reasonably and properly incurred by the Council in monitoring compliance with the S106 Agreement and in assessing the details submitted to the Council for approval pursuant to the S106 Agreement.

3. Options available and consideration of risk

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

4. Proposed Way Forward

4.1 This is considered on a project by project basis.

5. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		<p>Statutory powers are provided by the S1 Localism Act 2011 general power of competence.</p> <p>The capital programme is implemented in line with the Council's legal requirements, which are examined on a project-by-project basis. To date there are no undue legal concerns.</p> <p>The public interest has been assessed and it is considered that the public interest will be better served by not disclosing the information in the Appendix A. Accordingly this report contains exempt Information as defined in paragraph 3 of Schedule 12A to the Local Government Act 1972.</p>
Financial Implications to include reference to Value for Money		<p>The monitoring of the capital programme at month 4 (end of July 23) has shown that all projects are within their existing budget approved by Members. A capital budget of £8,290,299 has been profiled for 2023/24 with the remaining capital budgets rolled forward into future years. The capital expenditure for the first four months of 2023/24 against the profiled capital budget is £1,625,148 (19.6% of the profiled budget) as at the end of July 2023 as shown in Appendix A.</p> <p>The largest part of the expenditure for the first four months of the 2023/24 financial year is £1.275m which has been spent on purchasing five properties at Okement Park, Okehampton. These properties were purchased using funding from the Local Authority Housing Fund (LAHF), Homes for Ukraine funding and funding from DCC.</p> <p>The regular monitoring of the Capital Programme ensures the Council has arrangements in place to secure economy, efficiency and effectiveness in its use of resources.</p>

Risk		<p>The Council demonstrates that capital investment contributes to corporate priorities, provides value for money and takes account of the revenue implications of the investment. Regular monitoring of the capital programme and consideration of new pressures enables Members to control the programme and secure appropriate mitigation where problems arise.</p> <p>There is regular quarterly monitoring of the Capital Programme to Members where any cost overruns are identified at an early stage.</p>
Supporting Corporate Strategy		The Capital Programme supports all of the Thematic Delivery Plans within 'A Plan for West Devon'.
Consultation and Engagement Strategy		External consultation and engagement has not been undertaken with regard to this report.
Climate Change - Carbon / Biodiversity Impact		<p>The Council declared a Climate Change and Biodiversity Emergency on 23 July 2019 and a Climate Change Action Plan was presented to Council in December 2019.</p> <p>Further detail is set out in the Council's 'A Plan for West Devon' strategy.</p>
Comprehensive Impact Assessment Implications		
Equality and Diversity		This matter is assessed as part of each specific project.
Safeguarding		This matter is assessed as part of each specific project.
Community Safety, Crime and Disorder		This matter is assessed as part of each specific project.
Health, Safety and Wellbeing		This matter is assessed as part of each specific project.
Other implications		None

Supporting Information

Appendices:

Appendix A – Details of capital expenditure to 31st July 2023 (**Exempt**)
Appendix B – S106 Summary WDBC as at 31st July 2023

Background Papers:

None

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

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Class Code	Site	Date Received	Restriction/Committed End Date	Conditions	Opening S106 Balance 2023/24	Received in Year 2023/24	Monitoring Fee Deducted 2023/24	Balance available to be Spent	Total Spend to date	Commitments	Forecast Closing Balance	Comments
					£	£	£	£	£	£	£	
Homes and Built and Natural Environment Delivery Plan												
Affordable Housing												
2520	Land adjacent to Trescote, Brideslowe - 00465/2014	22/10/2014	10 Years	Affordable Housing	(5,793.11)			(5,793.11)		5,793.11	0.00	Contribution towards Local Authority Housing Fund 2
	Land Adjoining Belle vue - 0322/2012	12/11/2014	10 Years	Affordable Housing	(7,375.00)			(7,375.00)		7,375.00	0.00	Contribution towards Local Authority Housing Fund 2
2539	The Beeches, Yelverton - 0302/15	22/06/2017	10 Years	DNP - Affordable Housing	(20,911.90)			(20,911.90)			(20,911.90)	
2546	Barns At Hurditch Horn, Gulworthy 00358/2010	21/06/2019, 16/08/2022	10 Years	Affordable Housing	(31,949.81)			(31,949.81)		31,949.81	0.00	Contribution towards Local Authority Housing Fund 2
2535	The Old Post Office Highampton (00740/2014)	22/08/2018	10 years	Affordable Housing	(6,121.51)			(6,121.51)		6,121.51	0.00	Contribution towards Local Authority Housing Fund 2
2514	Melcroft, Lifton - 00546/2013	29/04/2014, 09/02/2017	10 Years	Affordable Housing	(7,375.00)			(7,375.00)		7,375.00	0.00	Contribution towards Local Authority Housing Fund 2
2522	Land adj. Shellsley North Tawton (02914/2012)	20/02/2015, 18/05/2018	10 Years	1st & 2nd 50% Affordable Housing	(47,136.72)			(47,136.72)		47,136.72	0.00	Contribution towards Local Authority Housing Fund 2
2512	Livalon Berns, S Tawton - 00707/2014	19/08/2015, 23/08/2018	10 Years	Affordable Housing 1st & 2nd 50%	(12,878.30)			(12,878.30)		12,878.30	0.00	Contribution towards Local Authority Housing Fund 2
2557	The Highwayman Inn, Sourton (3112/16/Ful)	26/03/2021, 15/6/2021, 24/12/2021	10 Years	Affordable Housing	(87,099.66)			(87,099.66)		87,099.66	0.00	Contribution towards Local Authority Housing Fund 2
2524	The Barton, Spreyton (01396/2014)	04/03/2015, 24/07/2015	10 years of first occupation	Affordable Housing	(71,530.17)			(71,530.17)		71,530.17	0.00	Contribution towards Local Authority Housing Fund 2
2508	Land adj. Serendipity, Tavistock - 00556/2014	15/08/2017	10 Years	Affordable Housing	(8,261.15)			(8,261.15)		8,261.15	0.00	Contribution towards Local Authority Housing Fund 2
2510	Land at 68 Plymouth Road, Tavistock - 03076/2012	21/11/2017	10 Years	Affordable Housing	(12,196.61)			(12,196.61)		12,196.61	0.00	Contribution towards Local Authority Housing Fund 2
2503	Tanglewood, Tavistock - 01191/2013	12/11/2014, 24/04/2017	10 Years	Affordable Housing	(16,831.59)			(16,831.59)		16,831.59	0.00	Contribution towards Local Authority Housing Fund 2
2543	Land Lower Trendle, Tavistock - 2092/16/Ful	17/07/2020, 04/12/2020	10 Years	100% Affordable Housing Contributions	(44,221.13)			(44,221.13)		44,221.13	0.00	Contribution towards Local Authority Housing Fund 2
2513	RO 6 Westmoor Park - 00014/2014	20/06/2019	10 Years	Affordable Housing	(7,800.68)			(7,800.68)		7,800.68	0.00	Contribution towards Local Authority Housing Fund 2
2528	Harewood House Tavistock -2232/17/FUL	09/02/2021	10 Years	Affordable Housing	(164,285.01)			(164,285.01)			(164,285.01)	E22,022 Contribution towards Local Authority Housing Fund 2
2547	Land Rear of Rowan Cottage, Leddown, Okehampton - 0825/22/11/2019, 04/11/2022	22/11/2019, 04/11/2022	10 Years	Affordable Housing	(55,499.00)			(55,499.00)			(55,499.00)	
2570	Dell Cote Crapstone 00364/2014	27/09/2021, 16/05/2022	10 Years	Affordable Housing	(7,542.51)			(7,542.51)			(7,542.51)	Contribution towards Local Authority Housing Fund 2
2584	Broomhill Barn Sampford Courtenay (00841/2014)	02/11/2022	NA	Affordable Housing	(15,865.00)			(15,865.00)			(15,865.00)	Contribution towards Local Authority Housing Fund 2
2609	Woodcroft Hse Bwkelly (01165/2013)	13/12/2022	NA	Affordable Housing	(7,481.25)			(7,481.25)			(7,481.25)	
2616	Devonshire Gardens, North Tawton (1484/17/OPA)	27/04/2023	10 years	Affordable Housing	0.00	(96,729.85)	4,836.49	(91,893.36)			(91,893.36)	
					(638,155.11)	(96,729.85)	4,836.49	(730,048.47)	0.00	366,570.44	(363,478.03)	
Adapting our Built Environment												
2543	Land Lower Trendle, Tavistock - 2092/16/Ful	03/05/2019	10 Years	Heritage Contribution survey work	(2,000.00)			(2,000.00)			(2,000.00)	
					(2,000.00)	0.00	0.00	(2,000.00)	0.00	0.00	(2,000.00)	
Growing our Natural Environment												
2617	Coach House, Tavistock (1134/21/FUL)	06/06/2023	NA	Plymouth EMS 2024	0.00	(621.97)	45.00	(576.97)			(576.97)	
					0.00	(621.97)	45.00	(576.97)	0.00	0.00	(576.97)	
TOTAL Homes and Built and Natural Environment Delivery Plan					(640,155.11)	(97,351.82)	4,881.49	(732,625.44)	0.00	366,570.44	(366,055.00)	
Strengthening Community Wellbeing Delivery Plan												
Community Facilities												
2527	11366/2008/TAV - Forma Tavistock Hockey Club	28/10/2013	10 years	£23,250 - Community Facility & £112,000 off-site Sports Pitch	(41,888.31)			(41,888.31)			(41,888.31)	
	11462/2008/OKE (see 13_14 schedule 11/11/2008)	17/04/2013	NA	Community Facilities	(96.62)			(96.62)			(96.62)	
2571	Glendale, Crediton Rd Okehampton (02728/2012)	30/11/2021	10 years	Community Facility contribution	(15,538.12)			(15,538.12)			(15,538.12)	
					(57,523.05)	0.00	0.00	(57,523.05)	0.00	0.00	(57,523.05)	
Open Space, Sport and Recreation												
2558	Land North of Crediton Road Okehampton - 01089/2013	08/06/2021	10 Years	Play Field Contribution	(48,907.59)			(48,907.59)			(48,907.59)	
2537	Land Butcher park Hill - 00610/2015	21/09/2018, 14/07/2020, 28/06/2019, 09/09/2022	5 Years	Playing pitch and off-site play contribution	(78,006.39)			(78,006.39)	6,102.93		(71,903.46)	
2548	Land New Launceston Road - 2022/16/OPA	04/12/2019, 29/09/2021, 02/03/2022	10 years	Off Site Public open Space and play contribution	(224,113.75)			(224,113.75)			(224,113.75)	
2559	Land adjacent to Callington Road, Tavistock - 00554/2013	14/05/2021	5 Years	Off-Site Play Contribution 1st phase	(34,059.85)			(34,059.85)			(34,059.85)	
2560	Land Adjacent to Cross Farm Leddown (2878/16/Ful)	11/05/2021	5 Years	Open Space Contribution	(10,933.26)			(10,933.26)			(10,933.26)	
2571	Glendale, Crediton Rd Okehampton (02728/2012)	30/11/2021	10 years	Open Space "Kick About" contribution	(3,004.68)			(3,004.68)			(3,004.68)	
2596	North Rd Lifton (2323/16/OPA)	14/06/2022, 11/11/2022	None	Child Play facilities	(12,761.36)			(12,761.36)			(12,761.36)	
2586	North Rd Lifton (2323/16/OPA)	14/06/2022, 11/11/2022	None	Pitch Facilities	(2,567.10)			(2,567.10)			(2,567.10)	
2588	Land opp Springfield Park Brideslowe (4136/19/FUL)	08/04/2022	7 years	OSSR contribution	(11,020.52)			(11,020.52)			(11,020.52)	
2589	Devonia House Yelverton (DNP 0018/20)	13/05/2022	10 years	OSSR contribution	(25,520.63)			(25,520.63)			(25,520.63)	
2596	Land South of Exeter Rd Okehampton (0032/18/OPA)	29/07/2022	None	OSSR contribution	(68,911.14)			(68,911.14)			(68,911.14)	
2607	New Launceston Road, Broadleigh Park (2022/16/OPA)	23/11/2022	10 years	Off-site play contribution	(26,678.75)			(26,678.75)			(26,678.75)	
2616	Devonshire Gardens North Tawton (1484/17/OPA)	31/03/2023	10 years	50% OSSR Play	(5,448.35)			(5,448.35)			(5,448.35)	
2616	Devonshire Gardens North Tawton (1484/17/OPA)	31/03/2023	10 years	50% OSSR Sport	(9,399.80)			(9,399.80)			(9,399.80)	
2618	Abbey Meadows, Crapstone (0147/17/OPA)	22/06/2023	None	Off Site Play Contribution	0.00	(57,713.98)		(57,713.98)			(57,713.98)	
					(561,333.17)	(57,713.98)	0.00	(619,047.15)	6,102.93	0.00	(612,944.22)	
TOTAL Strengthening Community Wellbeing Delivery Plan					(618,856.22)	(57,713.98)	0.00	(676,570.20)	6,102.93	0.00	(670,467.27)	
TOTAL S106 DEPOSITS					(1,259,011.33)	(155,065.80)	4,881.49	(1,409,195.64)	6,102.93	366,570.44	(1,036,522.27)	
S106 Spend as at 31/07/23 - break down of projects												
Revenue												
S106 Agreement		Project name		Expenditure								
Land Butcher park Hill - 00610/2015		S106 AFC Tavistock grounds		6,102.93								

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Report to: **Hub Committee**

Date: **19th September 2023**

Title: **Month 4 Revenue Budget Monitoring
2023/2024**

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)

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RECOMMENDATION:

That the Hub Committee RESOLVES to NOTE the forecast income and expenditure variations for the 2023/24 financial year and the overall projected deficit of £37,000 (0.4% of the total Budget £8.588 million). This is very close to a break-even position.

1. Executive summary

- 1.1 This report enables Members to monitor income and expenditure variations against the approved budget for 2023/24 and provides a forecast for the year end position.
- 1.2 The gross service expenditure budget for 2023/24 was set at £25.8 million (£8.588 million net). This report identifies a projected deficit of £37,000 which is 0.4% of the overall Budget set for 2023/24 of £8.588 million.

2. Background

2.1 Regional and national context

2.2 The Covid-19 pandemic has drawn into sharper focus the financial challenges faced by Local Authorities which have existed for some years. There remains outstanding a number of Local Authority Government reviews into Local Authority funding to reset the way local Councils are funded and the mechanism for the distribution of funding.

2.3 Financial Monitoring arrangements

2.4 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.

3. Outcomes/outputs

3.1 **Budget overview** - Table 1 below provides an analysis of the projected variances against budget.

TABLE 1: 2023/24 BUDGET FORECAST

	2023/24 Budget expenditure /(income)	Budget variations		£000	Note
		%	£000		
	£000			£000	
APPROVED BUDGET				8,588	
Reductions in expenditure/additional income					
Customer Service & Delivery					
Salary Savings	5,400	2%	(120)		A
Garden Waste Income	(305)	9%	(26)		B
Place and Enterprise					
Car Parking Income (including payment to a third party)	(997)	12%	(120)		C
Other Comprehensive Income & Expenditure					
Investment Income	(400)	133%	(530)		D
Sub total of variations				(796)	
Increases in expenditure/ reductions in income					
Customer Service & Delivery					
Waste Contract, inflation and increased contract costs	2,665	4%	106		E

Waste Contract, increase in number of households and collections	2,665	4%	115		F
Pay Award	150	98%	147		G
ICT Software & Support Contracts	488	22%	110		H
Place and Enterprise					
Employment Estates Income	(427)	14%	60		I
Homelessness – temporary accommodation costs	298	50%	150		J
Utility costs	190	13%	25		K
Governance & Assurance					
Planning Income	(473)	25%	120		L
Sub total of variations				833	
PROJECTED OUTTURN				8,625	
PROJECTED DEFICIT FOR 2023/24				37	

There is projected to be an overall deficit of £37,000 when compared against the Revenue Budget set for 2023/24.

Notes

- A. **Salary Savings** – a saving of £120,000 (2% of the salaries budget) is currently projected for 2023/24 mainly resulting from vacancies.
- B. **Garden Waste income** – income is currently anticipated to exceed the 2023/24 target by £26,000 which equates to 9% of the annual income budget of £305,000.
- C. **Car Parking income** – additional income of £80,000 has been received as at 31 July 2023. For the purposes of the 2023/24 projection it has been assumed that income will be on budget for the remainder of the year. In addition a saving of £40,000 is anticipated on a car parking third party payment based on current income levels, generating an overall saving in respect of car parking income of £120,000 for 2023/24.
- D. **Investment income** – investment income is currently anticipated to be up by 132%, which equates to additional income of £530,000 in 2023/24. The latest forecast is projecting investment income of £930,000 in 2023/24. This follows the recent increases in interest rates as the Bank of England (base rate is currently 5.25%) looks to tackle surging inflation.
- E. **Waste Recycling and Cleansing Contract - inflation and increased contract costs** – costs are currently anticipated to exceed the contract budget by £106,000 in 2023/24. This is mainly due to additional contract inflation and an increase in the base contract price. Contract inflation is based on the latest published indices for fuel inflation, wage inflation and consumer price index (CPI).

- F. **Waste Recycling and Cleansing Contract – increase in number of households and collections** – it is anticipated that there will be an uplift in the waste collection, recycling and cleansing contract costs of £115,000 in 2023/24 to reflect the increase in the number of properties across the Borough. The 2023/24 budget was increased by £50,000 and a further £100,000 has been built into the 2024/25 budget.
- G. **Pay Award** – the impact of the proposed local government employer’s pay offer for 2023/24 of £1,925 per scale point or a 3.88% increase for Scale Point 44 upwards, is significantly higher than the current budget provision of £150,000 (3%). The proposed pay award will result in additional salary costs of approx. £147,000.
- H. **ICT Software & Support Contracts** – There are additional costs in respect of ICT support contracts mainly due to,
- Price increases which equal or exceed the peak in the inflation rate earlier in the year
 - Additional costs for new software licenses, laptops and accessories due to an increase in the number of officers and new intake of Members in 2023/24.
- I. **Employment Estates income** – an additional income target of £50,000 built into the 2023/24 budget is unlikely to be achieved in 2023/24. There is currently a shortfall in income of £22,000 as at 31 July 2023, and this is projected to increase to £60,000 for the full financial year.
- J. **Homelessness** – significant increases are anticipated in the expenditure on temporary accommodation in 2023/24 over and above what is claimable back through DWP subsidy. This is reflective of the national picture and due to a number of factors outside the Council’s control including:
- The housing crisis and lack of accommodation
 - High numbers of second homes and holiday lets
 - Affordability of private rented accommodation and challenges facing private landlords and increases in their costs.
 - More single people presenting with complex and challenging needs, requiring bespoke housing solutions.
 - The increase in costs of pay nightly accommodation due to cost-of-living challenges and increases in energy costs.
- The Council is actively seeking ways to reduce reliance on pay nightly accommodation by investing in its own stock of temporary accommodation through opportunities such as LAHF, LAHF 2 and property acquisition whilst ensuring any stay is kept to a minimum.
- K. **Utility costs**– due to the rise in energy costs and inflationary pressures, additional costs of £25,000 are projected in 2023/24, mainly due to the increase in utility costs for the Council’s employment estates.

- L. **Planning income** – a planning income shortfall of £120,000 is currently anticipated for 2023/24. There is a Planning Improvement Plan update on this Hub Committee agenda which sets out opportunities for efficiencies linked to the new planning software system and income opportunities.

3. Other items to be considered in the 2023/24 Budget

- 3.1 This monitoring report includes an update on the position regarding the savings and additional income that were identified in the 2023/24 budget setting process, set out in Appendix A.

4. Review of Earmarked Reserves

- 4.1 The Council annually undertakes a review of the level of its Earmarked Reserves as part of the budget setting process. A schedule of the current level of Earmarked Reserves is part of the report on the Medium Term Financial Strategy which is also on this Hub Committee agenda.

- 4.2 The Council's level of Unearmarked Reserves currently stands at £1.569 million. The deficit of £37,000 would go into Unearmarked Reserves at the year end, in accordance with normal accounting practice. This gives a predicted year end balance at 31 March 2024 of £1.532 million for Unearmarked Reserves.

5. Prudential Indicators

- 5.1 The prudential code indicators were approved in the Capital, Investment and Treasury Management Strategy report to the Council on 4 April 2023. 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 (surpluses)/shortfalls already experienced for April 2023 to July 2023. The table also shows the latest 2023/24 projections for the major streams of income.

Service	Deficit/ (Surplus) April – July 2023 £'000	Projected Income 2023/24 £'000	Income Budget 2023/24 £'000	Deficit/ (Surplus) £'000	Deficit/ (Surplus) %
Car Parking	(80)	(1,077)	(997)	(80)	(8%)
Planning Applications & Advice	57	(353)	(473)	120	25%
Employment Estates	24	(367)	(427)	60	14%
Garden Waste	(7)	(331)	(305)	(26)	(9%)
Trade Waste	(8)	(45)	(45)	-	-
Business Rates Pooling Gain	-	(200)	(200)	-	-
Licensing	10	(114)	(114)	-	-
Interest & Investment Income	(56)	(930)	(400)	(530)	(133%)
Local Land Charges	1	(95)	(95)	-	-
Recycling Income	13	(515)	(515)	-	-
TOTAL	(46)	(4,027)	(3,571)	(456)	(13%)

7. Management Actions

- 7.1 The table below sets out the relevant management actions for the revenue expenditure and income variations shown above. It is best practice for the Council to state whether there are any corrective actions that need to be taken for the variances identified in 2023/24.

	Budget variations overspend/ (underspend) £000	Management Action
Reductions in expenditure/additional income		
Salary Savings	(120)	The projected underspend will be kept under review during the year.
Garden Waste Income	(26)	An additional income target of £25,000 has been built into the 2024/25 budget.
Car Parking Income (including payment to a third party)	(120)	The level of car parking income will be kept under close review in 2023/24.
Investment Income	(530)	An additional income target of £300,000 has been built into the 2024/25 budget.
Increases in expenditure/reductions in income		
Waste Contract, inflation and increased contract costs	106	Contract inflation of £245,000 has been built into the 2024/25 budget.
Waste Contract, increase in number of households and collection	115	A budget pressure of £100,000 has been built into the 2024/25 budget.
Pay Award	147	This budget pressure has been built into the 2024/25 budget.
ICT Software & Support Contracts	110	A budget pressure of £90,000 has been built into the 2024/25 budget.
Employment Estates Income	60	Employment estates income levels will be kept under review in 2023/24.
Homelessness – temporary accommodation costs	150	Temporary accommodation costs will be kept under close review during 2023/24. The Council is actively seeking ways to reduce reliance on pay nightly accommodation by investing in its own stock of temporary accommodation through opportunities such as LAHF, LAHF 2 and property acquisition
Utility costs	25	Inflation on goods and services of £200,000 has been built into the 2024/25 budget.

	Budget variations overspend/ (underspend) £000	Management Action
Planning Income	120	<p>This will be kept under close review in 2023/24.</p> <p>There is a Planning Improvement Plan update on this Hub Committee agenda which sets out opportunities for efficiencies linked to the new planning software system and income opportunities.</p> <p>The Government has confirmed that a 35% increase for major applications and 25% for all other applications is anticipated to apply from 1 April 2024. This is expected to generate around £60,000 to £70,000 of additional planning income.</p>

8. Options available and consideration of risk

- 8.1 At this early stage in the year it is important to note that these forecasts can change over the course of the year to 31 March 2024. Managers can seek out opportunities to reduce any budget shortfalls, 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 quarter.

10. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	The Council is required to make arrangements for the proper administration of its financial affairs. As part of those arrangements, the Council is under a duty to monitor its budgets throughout the financial year and to take appropriate action to deal with any deterioration in the financial position revealed by the regular monitoring.
Financial implications to include reference to value for money	Y	<p><i>The report identifies a projected deficit of £37,000 which is 0.4% of the overall budget set for 2023/24 of £8.588 million. This is very close to a break-even position.</i></p> <p>As part of Grant Thornton’s external audit of the Statement of Accounts for 2022/2023, they will assess the arrangements the Council has in place for securing economy, efficiency and effectiveness in its use of resources.</p> <p>The outcome of Grant Thornton’s work in this area will be reported to Members at a future the Audit and Governance Committee meeting.</p>
Risk	Y	<ol style="list-style-type: none"> 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. 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 of the Thematic Delivery Plans within the Council’s strategic vision, ‘A Plan for West Devon’.
Consultation and Engagement Strategy		External consultation and engagement has not been undertaken with regard to this report.
Climate Change – Carbon /		A report was presented to Council on 8 th December 2020 ‘Climate Change and Biodiversity Strategy and Action Plan update’.

Biodiversity Impact		In March 2021, Council approved to set up an Earmarked Reserve for £200,000 for the Recovery Plan and Corporate Strategy. Further detail is set out in the Council's 'A Plan for West Devon' strategic vision.
<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

Appendices:

Appendix A – Savings/Additional income schedule.

Background Papers:

None

Summary of Savings and Additional Income from the 2023/24 Budget Setting Process

APPENDIX A

The table below summarises the savings and additional income that were included in the 2023/24 Budget Setting process and indicates whether the saving/additional income is on track to be delivered.

	Savings and Additional Income for the 2023/24 Budget	Income/Savings Target for 2023/24 (£)	Latest Projection for 2023/24 (£)	Narrative
1	Income from Investment properties - periodic upwards rental reviews on investment properties	50,000	50,000	Currently on target to achieve this income.
2	Management fee income from external contracts such as leisure - Council 15 February 2022	45,500	45,500	The position is currently being monitored.
3	IT FIT Project - software savings	10,000	10,000	Currently on target to achieve these savings.
4	Establishment savings (salary savings) gained from IT and digital communications	50,000	50,000	Currently on target to achieve these savings.
5	Extra recycling income	190,000	190,000	Currently on target to achieve this income.
6	Extra trade waste income	30,000	30,000	Currently on target to achieve this income.
7	Extra treasury management income to reflect increases in the Bank Base rate	375,000	905,000	It is currently envisaged that additional treasury management income of £905,000 will be generated in 2023/24. This represents the extra income target of £375,000 plus the additional income of £530,000 projected in Table 1 of the report.
8	Extra garden waste income	60,000	86,000	It is currently envisaged that extra garden waste income of £86,000 will be received in 2023/24. This represents the extra income target of £60,000 plus the additional income of £26,000 projected in Table 1 of the report.
9	Savings on staff and Member travel and expenses	30,000	30,000	Currently on target to achieve these savings.
10	Housing Benefit overpayments	40,000	40,000	Currently on target to achieve this income.
11	Additional Employments estates income	50,000	0	There is a shortfall in employment estates income of £22,000 as at 31 July 2023. It is currently anticipated that this could increase to £60,000 by the end of the 2023/24 financial year.
12	Funding from Homelessness prevention government grant (this funds housing posts -funding to be reflected within the base budget)	180,000	180,000	The 2023/24 Homelessness prevention grant was received in August 2023.
	TOTAL	£1,110,500	£1,616,500	

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Report to: **Hub Committee**

Date: **19 September 2023**

Title: **Medium Term Financial Strategy 2024/25 to 2026/27**

Portfolio Area: **Cllr M Ewings – Budget Setting Process**

Wards Affected: **All**

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

Author: **Lisa Buckle** Role: **Corporate Director for Strategic Finance**

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

RECOMMENDATIONS

It is RECOMMENDED that the Hub Committee considers the Medium Term Financial Strategy and:

- a) Notes the forecast budget gap for 2024/25 of £393,030 (4.4% of the projected Net Budget of £8.97million) and the position for future years; and**
- b) Tasks the Senior Leadership Team and Hub Committee Members with bringing back further options of how to close the predicted budget gap for 2024/25, as part of future budget reports (once more detail of the Local Government Finance settlement is known), for Members' consideration.**

1. Executive summary

- 1.1 The Council's Medium Term Financial Strategy (MTFS) is based on a financial forecast over a rolling three year timeframe to 2026/27. The Council adopted a three year timeframe for its MTFS in 2021, as this dovetailed to the timescales of the Corporate Strategy. This timeframe gives a good balance between long term financial planning and having realistic assumptions to be able to work with. This is in light of the current volatility within local government financial planning, due to the lack of certainty from continued one-year financial settlements. The Government has aimed to address short-term pressures rather than focus on long term sustainability.

- 1.2 The Council, along with other local authorities, has faced unprecedented reductions in Government funding. Between 2009/10 and 2020/21, the Council's Core Government funding has reduced by £3 million. The Council now receives minimal Government Grant (Revenue Support Grant) of £89,000 to fund its services and the Council has to be self-sufficient.
- 1.3 The Council has continued to work in partnership with South Hams District Council which has allowed West Devon to achieve annual savings of £2.2 million and more importantly protect all statutory front line services. Between both Councils the annual shared services savings being achieved are over £6 million per annum. However, the Councils continue to face considerable financial challenges as a result of uncertainty in the wider economy and constraints on public sector spending.
- 1.4 It is important to note that this Medium Term Financial Strategy (MTFS) sets out the budget strategy for the Council for the next three years, with regular reviews (at least annually) and updates when items are further known or are announced by the Government.
- 1.5 This is the starting point for developing a meaningful three 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.
- 1.6 Prudent financial management in the past, has meant that the Council was in a relatively healthy position financially before the pandemic hit. The management of risk and promoting financial resilience is a key principle of our budget strategy and this has helped facilitate our response. Key to the authority's financial resilience are our reserves, which are at a prudent level.
- 1.7 The recent challenges presented by the war in Ukraine with its broader implications along with the current 'cost of living crisis' will have an impact on the Council's finances as well as the finances of the residents of the Borough. The Council's approach to delivering services remains steadfast.
- 1.8 The Consumer Price Index (CPI) was 6.8% (July 2023 CPI), which is down from 7.9% in June. Inflation over the past 18 months has been at a 40 year high. An extra £150,000 cost pressure for inflation on goods and services and increases in utility costs has been included within the cost pressures in Appendix A. The latest minutes from the meeting of the Monetary Policy Committee (MPC) state that it is expected that inflation will drop back to 4.8% by the end of 2023, accounted for by lower energy, and to a lesser degree, food and core goods price inflation. At present, there is no indication from Government of any additional funding to meet inflationary cost pressures.

1.9 The Fair Funding Review, business rates baseline reset, and other funding reforms now look set to be pushed back to 2026/27 although this has not been confirmed by the Government so the MTF5 assumes that these changes will happen in 2026/27.

1.10 The key assumptions within the Medium Term Financial Strategy are as below. Each of these is described in more detail in Section 3.

- The business rates baseline reset will be deferred until 2026/27 at the earliest (with no negative Revenue Support Grant in 2024/25 or 2025/26)
- There will be a phasing in of negative Revenue Support Grant as part of the business rates baseline reset (predicted to be in 2026/27) with a transition period, to avoid Local Authorities losing/gaining too much in one go. The modelling assumes negative RSG of £117,000 in 2026/27. Some of the negative RSG could be offset by growth.
- It is assumed Council Tax limits for District Councils will remain at the higher of £5 or 2.99% for 2024/25 onwards
- It is assumed that 2024/25 will be another roll over settlement, which will give an amount of around £150,000 of NHB funding (or a similar replacement housing incentive scheme) that could be used to fund the 2024/25 revenue base budget.
- A business rates pooling gain of £200,000 has been modelled for 2024/25 and 2025/26, with no further gains for 2026/27 onwards.
- A council tax surplus of £150,000 for 24/25 has been assumed, with a council tax collection rate of 97.5% (98.34% was achieved in 2022/23)
- Rural Services Delivery Grant has been assumed to continue annually at the same level for 23/24 (£544,625)
- A 4% pay increase has been modelled from 2024/25 onwards (4% equates to £216,000 on total pay of £5.4m). The pay assumption has been reduced to 3% in 2025/26 and 2026/27

1.11 The following table illustrates the predicted budget gap from 2024/25 onwards for the Council **as shown in Appendix B**:

Budget Gaps	2024/25 £	2025/26 £	2026/27 £	Total Aggregated Budget Gap £
'New' Budget Gap each year	393,030	198,582	939,132	1,530,744
*Cumulative Budget Gap	393,030	591,612	1,530,744	2,515,386

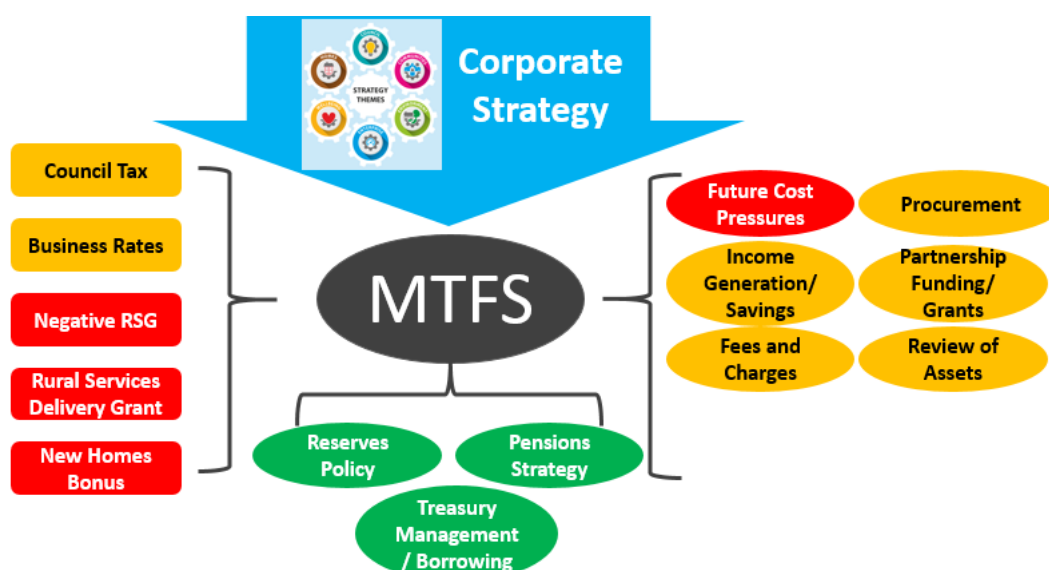
* (Cumulative Budget Gap assumes annual new budget gaps have not been addressed)

- 1.12 ***The forecast budget gap for 2024/25 is £393,030. This is 4.4% of the Projected Net Budget for 24/25 of £8.97million.*** A cumulative budget gap of £591,612 is predicted for 2025/26 (the £591,612 assumes that the 24/25 budget gap of £393,030 has not been closed). The cumulative aggregated Budget Gap by 2026/27 is £2.52 million, if no action has been taken in each individual year to close the budget gap annually.
- 1.13 The budget gap for next year of £393,030 is very much in line with the level expected at this point in the financial planning cycle. In the year after the budget gap is £198,582. The budget gap increases to £939,132 in three year's time, 2026/27, due to the local government reforms that are expected. These are the reset of the business rates baseline, the fair funding review and the impact of negative RSG (Revenue Support Grant), coupled with the loss of the business rates pooling gain.
- 1.14 There are continuing uncertainties about the level of local government funding for 2024/25 and there is no indication yet of the detailed local government funding levels for 2024/25 and beyond. Therefore there are many uncertainties in preparing for the challenges we know we will face in the near future. It is thought that the first realistic opportunity for implementing funding reforms is 2026/27. There is now a very pressing need to update population and council tax data (both of which are at least a decade old). It is assumed that the core finance settlement for 2024/25 will increase in a similar manner as that for 2023/24.
- 1.15 Further options for Members' considerations of how to close the predicted budget gap of £393,030 will be presented as part of future budget reports.

2 COMPONENTS OF THE MEDIUM TERM FINANCIAL STRATEGY

- 2.1 The Diagram below sets out all of the component parts which constitute the make-up of a Medium Term Financial Strategy. Items in Green denote those elements where the Council has a large degree of control over the setting of policies and strategies. Items in Amber denote those components of the MTFs where the Council has a degree of control. Red items signal components where the Council has hardly any control over funding allocations which are decided by the Government and future cost pressures which can largely be outside of the Council's control or influence.

2023/24 Net Budget £8.59 million



2.2 The key assumptions within the MTFS are set out in Section 3.

OVERALL POSITION – BUDGET GAP

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

2.4 **Appendix A** to the Medium Term Financial Strategy sets out the Budget Pressures forecast for the next three years and the additional savings and income forecast. **Appendix B** illustrates the overall financial forecast for the forthcoming five years. The Council's Net Budget is £8.59 million in 2023/24.

2.5 A Summary forecast is shown below of the potential budget situation if all of the budget pressures and the savings and income generation in Appendix A were approved. It also shows the situation if the Council Tax is increased by 2.99% per annum (shown in Appendix B).

2.6 The following table illustrates the predicted budget gap from 2022/23 onwards for the Council **as shown in Appendix B**:

Budget Gaps	2024/25 £	2025/26 £	2026/27 £	Total Aggregated Budget Gap £
'New' Budget Gap each year	393,030	198,582	939,132	1,530,744
*Cumulative Budget Gap	393,030	591,612	1,530,744	2,515,386

* (Cumulative Budget Gap assumes annual new budget gaps have not been addressed)

2.7 ***The forecast budget gap for 2024/25 is £393,030. This is 4.4% of the Projected Net Budget for 24/25 of £8.97million.*** A cumulative budget gap of £591,612 is predicted for 2025/26 (the £591,612 assumes that the 24/25 budget gap of £393,030 has not been closed). The cumulative aggregated Budget Gap by 2026/27 is £2.52 million, if no action has been taken in each individual year to close the budget gap annually.

2.8 The Council awaits the details of the local government finance settlement for 2024/25, which will be announced in December 2023. Further options for Members' considerations of how to close the predicted budget gap of £393,030 for 2024/25 will be presented as part of future budget reports.

3 ASSUMPTIONS FOR FINANCIAL MODELLING PURPOSES

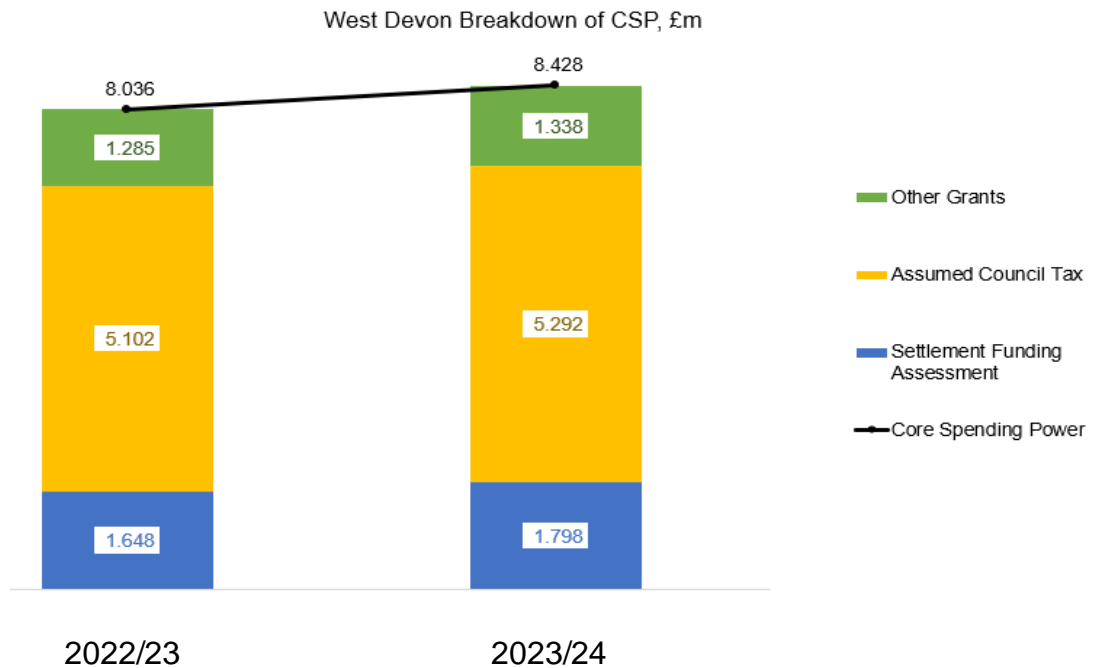
3.1 The SFA is essentially the business rates baseline and is the amount of money the Council retains from its share of the business rates income. The breakdown of the increase in SFA for 2023/24 is shown below.

3.2 The 'Core Spending Power' is a headline figure used by MHCLG to represent the key revenue resources available to local authorities, including an estimate of actual and potential council tax, as below. The Council now receives no main Government grant (Revenue Support Grant).

3.3 ***Core Spending Power for West Devon (which is a measure of how much extra funding a Council has received for next year) increased by 4.9% for 2023/24.*** Core Spending Power is the term the Government use to say how much money Councils have to run their services. On looking at the detail below, it can be seen that the extra funding of 4.9% is mainly coming from assumed Council Tax increases in 2023/24.

3.4 The calculation of Core Spending Power already assumes that a Council will increase its council tax up to the maximum allowed under the referendum limits for 2023/24 – so for WDBC a 2.99% council tax increase (14pence per week or £7.37 per year) for 2023/24 was included within this 4.9% increase in funding. New Homes Bonus is also included in the measure of Core Spending Power in 'Other Grants'.

3.5 Core Spending Power for West Devon increased from £8.036m in 2022/23 to £8.428m in 2023/24 as shown below.



Council Tax

3.6 The Council Tax Referendum limits for District Councils for 2023/24 was the higher of 2.99% or £5. An increase in council tax of 2.99% for the next three years has been modelled for council tax purposes. This would equate to a Band D council tax for the Borough Council of £261.59 in 2024/25 as shown in Appendix B (an increase of 2.99% for the year which is 15 pence per week or £7.59 for the year). The Council's share of the council tax for 2024/25, will be set at the Council meeting on 20th February 2024. (A 1% increase in council tax generates £55,000 of extra council tax income).

3.7 The table below shows how an average Band D council bill is made up for West Devon Borough Council for 2023/24, compared to 2022/23. Of an average Band D Council Tax within the Borough of £2,346.79, an amount of £254.00 is the element of a council tax bill set by West Devon Borough Council. Therefore 11pence of every £1 paid (11%) in council tax is received by West Devon Borough Council to pay for our services. The rest of the council tax bill is set by Devon County Council, the Fire, the Police and Town and Parish Councils to fund the services they provide.

In 2023/24, the council tax for an average Band D property in West Devon increased by £116.15 per annum, an annual increase of 5.21% as shown below.

Precepting Authority	Band D 2022/23	Band D 2023/24	£ Increase	% Increase
West Devon Borough Council	£246.63	£254.00	£7.37	2.99%
Devon County Council Precept	£1,372.59	£1,419.21	£46.62	4.99%
Adult Social Care Precept *	£183.87	£214.92	£31.05	
Devon & Cornwall Police & Crime Commissioner	£246.56	£261.56	£15.00	6.08%
Devon & Somerset Fire & Rescue	£91.79	£96.79	£5.00	5.45%
Average Parishes/Towns	£89.20	£100.31	£11.11	12.46%
TOTAL	£2,230.64	£2,346.79	£116.15	5.21%

- 3.8 The Borough Council is responsible for collecting all the Council Tax debt of approximately £48m as West Devon BC is the Billing Authority. After keeping 11% of the council tax collected to run the Council's services, the rest is paid over to Devon County Council, the Police, the Fire and Town and Parish Councils. **The Council collected 98.34% in council tax in 2022/23 which was in the top quartile of all Councils nationally.**
- 3.9 A council tax collection rate of 97.5% has been assumed for 2023/24.
- 3.10 It has been assumed that the number of properties within the Borough will increase by 300 per annum from 2024/25 onwards.
- 3.11 In 2023/24 the Government set no council tax referendum principles for Town and Parish Councils. It has not yet been announced by the Government whether any referendum principles will apply to Town and Parish Councils in 2024/25 onwards.

Business Rates and Negative Revenue Support Grant (RSG)

- 3.12 It has been assumed that the Business Rates Reset will be delayed to 2026/27. Whilst this change is not confirmed by the Government, a reset based on the current taxbase would appear very unlikely.
- 3.13 The Fair Funding Review, business rates baseline reset, and other funding reforms now look set to be pushed back to 2026/27 although this has not been confirmed by the Government so the MTF5 assumes that these changes could happen in 2026/27. The 2025/26 finance settlement will be the first year of a new spending review period.
- 3.14 The MTF5 assumes that the full range of changes from the Fair Funding Review will be implemented based on the proposals in the December 2018 consultation paper, plus the latest population estimates (2022) and the latest council tax data. It is assumed that the business rates baseline reset will happen in 2026/27.
- 3.15 Estimates have been made of the business rates baseline funding levels for 2024/25 onwards and the relative deductions for negative RSG in 2026/27. For example in 2024/25, the £2.391m is the amount the Council is projected to retain from its business rates income collected of around £8.97 million (this equates to around 27p in every £1 collected of business rates).
- 3.16 **The 2022/23 collection rate for West Devon for business rates was 98.95%, which was in the top quartile of all Councils nationally.**
- 3.17 It is modelled to take £150,000 funding from the business rates retention on an annual basis. This would reduce the business rates retention reserve by £450,000 over the next 3 years to smooth the impact of the business rates baseline reset and the future loss of pooling gains.

Devon Business Rates Pool

- 3.18 West Devon Borough Council will continue to be part of a Devonwide Business Rates Pool for 2023/24 and it is expected that this opportunity will also be there for 2024/25 (until the baseline reset happens in 2026/27 at the earliest). A business rates pooling gain of £200,000 has been modelled for 2024/25 and 2025/26 with no further gains for 2026/27 onwards when the baseline reset is expected to happen.

Rural Services Delivery Grant

- 3.19 Rural Services Delivery Grant has been modelled to continue for 2024/25 onwards at previous levels (WDBC share of £544,625) and the methodology for distribution is assumed to remain unchanged from 2023/24. This is Government grant to recognise the additional cost of delivering services in rural areas.

New Homes Bonus (NHB)

3.20 A decision on the future of New Homes Bonus funding (NHB) will be announced before the 2024-25 finance settlement. The consultation on the future of NHB was in February 2021. In the absence of any decision or announcement, it is assumed that NHB will continue for one more year in 2024-25.

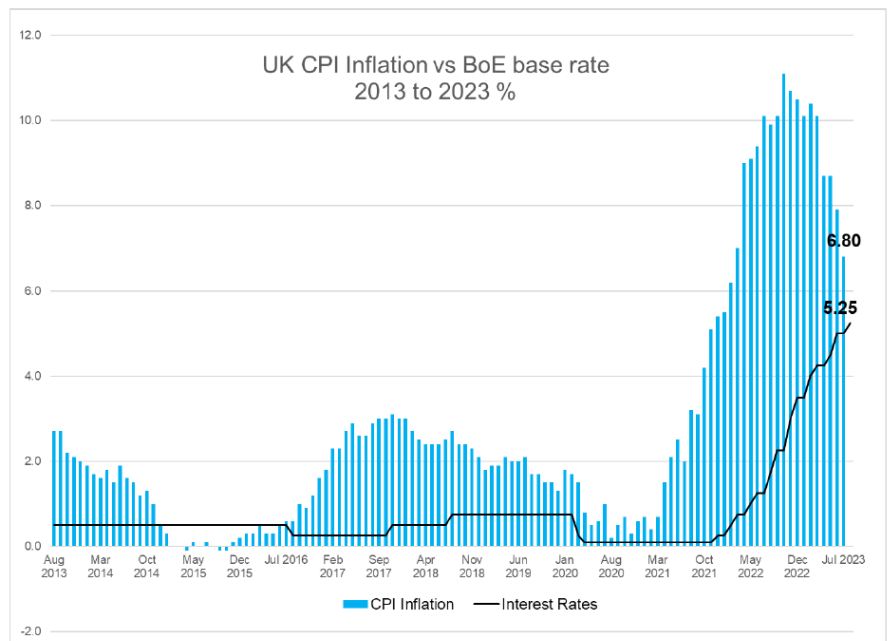
3.21 In 2023/24 the NHB allocation for the Council was £384,230. It is assumed that the roll over settlement for 2024-25 will give an amount of £150,000 of NHB funding (or a similar replacement housing incentive scheme) that could be used to fund the 24/25 revenue base budget.

Other assumptions within the Medium Term Financial Strategy (MTFS)

3.22 The Consumer Price Index (CPI) was 6.8% (July 2023 CPI), which is down from 7.9% in June. Inflation over the past 18 months has been at a 40 year high. An extra £150,000 cost pressure for inflation on goods and services and increases in utility costs has been included within the cost pressures in Appendix A. The latest minutes from the meeting of the Monetary Policy Committee (MPC) state that it is expected that inflation will drop back to 4.8% by the end of 2023.

Inflation

- Chart shows inflation vs BoE base rate since August 2013.
- The target for CPI inflation is 2.0%.
- UK CPI Inflation for July 2023 was **6.8%**.
- Fall from **7.9%** in June.
- The BoE base rate interest rate stands at **5.25%**, up from **5.00%** on 3 August.



3.23 A provision for the 2024/25 pay award has been modelled in the MTFS at 4% (£216,000), with total pay being £5.4million. This has been reduced to 3% in 2025/26 and 2026/27.

- 3.24 The Medium Term Financial Strategy is not an expression of Council Policy on pay awards, but a means of ensuring an appropriate provision is made as part of the overall financial planning of the Council. The Council is particularly affected by inflation in terms of the Local Government Pay Award as staffing forms a significant proportion of the Council's budget.
- 3.25 The pay award for 2023-24 has also not yet been finalised or agreed. The current employers' offer is for £1,925 per Scale Point or a 3.88% increase for Scale Point 44 upwards. This would cost an extra £147,000 and this amount also needs to be built into the Base Budget for 2024-25 as a 'catch up' as the budget for 23/24 has already been set.
- 3.26 Cost pressures for insurance (£30,000) and IT inflation cost pressures (£90,000) have also been built into the MTFS.
- 3.27 The predicted interest rate forecast from our treasury management advisors, Link Services, is that interest rates (Bank Base rate) will increase in September to 5.5% (Bank Base rate is 5.25% as at August 2023). The prediction is that the bank base rate will start decreasing to 5.25% in June 2024 and 4.25% in December 2024. The increase in Bank Rate will increase the Council's income from treasury management investments and additional income of £300,000 has been built into the MTFS for 2024/25.

Corporate Strategy

- 3.28 The Council is in the process of setting out its corporate strategy for the period 2024-2028 and there will be future reports to the Hub Committee on the Corporate Strategy. Once adopted, the strategy will be the Council's overarching strategic document setting out our ambitions and priorities for the Borough.

Climate Change

- 3.29 The Council's annual delivery plan on 'Growing our natural environment' sets out the Council's action plan for addressing climate change and the carbon/biodiversity impact.

OTHER BUDGET ITEMS

- 3.30 The Levelling Up and Regeneration Bill is making its way through Parliament but the proposals within it will not be able to be implemented until 2025-26. There is a proposal within the bill to allow Billing Authorities the discretion to charge second home owners a council tax premium of 100% (so a second home dwelling would pay double the council tax charge). The Bill requires Billing Authorities to have a minimum period of 12 months between making its first determination and the financial year in which it takes effect. That means the earliest that Councils can introduce it is for the start of the 2025-26 financial year, i.e. 1 April 2025. At Council on 21 February 2023, Council approved charging up to an extra 100% council tax in second homes. Modelling

shows that extra council tax income of £157,000 could be generated and this has been modelled for the 2025-26 financial year.

- 3.31 The Council will be reviewing core service delivery through on-going service reviews and will bring reports back to Members at the appropriate point, linking back to the emerging corporate strategy.
- 3.32 The revenue budget monitoring report to the Hub Committee on 19th September shows an overall projected deficit of £37,000 for the 2023/24 financial year. This is 0.4% of the overall net budget set of £8.588million and this is very close to a break-even position.

4. Treasury Management and Borrowing Strategy

- 4.1 The Council has previously taken external treasury management advice on the Council's overall borrowing levels and debt levels. The Council set an Upper Limit on External Borrowing (for all Council services) as part of the Medium Term Financial Strategy of £50 million in 2019 and it is not proposed to change this limit at present.
- 4.2 In 2022/23 the long term borrowing of the Council decreased from £27,726,000 (2021/22) to £27,012,000. Short term borrowing increased from £615,000 to £714,000. This is due to the profiling of the debt repayments where long term borrowing has moved to short term borrowing. Total borrowing as at 31 March 2023 has reduced from £28,341,000 to £27,726,000. No further external borrowing took place during 2022/23.

5 FEES AND CHARGES

- 5.1 As part of the budget process, fees and charges will be reviewed. A delegation is in place to enable service managers to increase fees and charges by inflation where these are not material changes or increases.
- 5.2 DEFRA has confirmed that the implementation of the Extended Producer Responsibility (EPR) will be deferred from October 2024 to October 2025.

6 FINANCIAL SUSTAINABILITY AND TIMESCALES

- 6.1 The Council will continue to assess various options for closing the budget gap for 2024/25 onwards, and in the longer term, to achieve long term financial sustainability and further options will be presented to Members in further budget reports. This will consider ways to reduce the Council's operating costs and generating further income and savings.
- 6.2 Making the best use of our resources and setting a balanced budget annually is within the 'Delivering Quality Services' Delivery Plan of the Council's corporate strategy.

7 Earmarked and Unearmarked Reserves Policy

- 7.1 Unearmarked Reserves total £1.569 million at 31 March 2023. There was a surplus of £79,000 on the outturn position for 2022/23 (1.0% of the net budget of £7.770m) as shown in the Draft Statement of Accounts for 2022/23 published by the end of June 2023. In accordance with normal accounting practice, this underspend has gone into Unearmarked Reserves.
- 7.2 At Council on 21st February 2023, Members set a minimum balance for Unearmarked Reserves of £900,000, with an operating level of a minimum of £1.25million (Minute reference CM 66/22). This was based on a risk assessment basis and a sensitivity analysis. Therefore the current level of Unearmarked Reserves of £1.569million at 31 March 2023 is still above these minimum levels to be held which are set annually.
- 7.3 Legislation does not prescribe how much the minimum level of reserves should be. The Section 151 Officer is tasked with recommending the minimum level of reserves required as part of the budget setting process having regard to elements of risk in the Council's finances (this was recommended at £900,000 being the minimum level in February 2023, with an operating level of £1.25million). Section 25 of the Local Government Act 2003 requires the Section 151 officer to report on the adequacy of the Council's financial resources on an annual basis.
- 7.4 **Earmarked Reserves** have reduced by £0.287m in 2022/23 moving from £9.189m on 1 April 2022 to **£8.902m at 31 March 2023 as shown in Appendix C.**
- 7.5 Reserve levels will be kept under constant review and will be reviewed throughout the budget setting process to consider commitments against Earmarked Reserves, their unallocated balance and the contributions to/from Earmarked Reserves for 2024/25 and future years also. This will form part of the December 2023 Budget report to the Hub Committee and will be able to be considered alongside details of the Government's Draft Local Government Finance Settlement for 2024/25 (due to be published December 2023).
- 7.6 The proposed contributions to/from Earmarked Reserves for 2024/25 are shown in Appendix A. It is recommended to make an annual contribution of £50,000 to a JLP reserve, to commence the JLP review and to also commence making a £350,000 annual contribution to the vehicles replacement reserve for the future replacement of the waste fleet.
- 7.7 The provision of an appropriate level of balances is a fundamental part of prudent financial management, enabling the Council to build up funds to meet known and potential financial commitments.

7.8 As highlighted above there is a high degree of uncertainty about future levels of funding for local government. However, the Section 151 Officer is keeping a close watch on developments and planning for this longer-term uncertainty. For example, the Council has a Financial Stability earmarked reserve to help secure financial stability for the longer term. This will include addressing any future financial pressures from changes in local government funding levels. The balance on the Financial Stability earmarked reserve at 31 March 2023 is £0.617m.

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. The Capital Budget Proposals for 2024/25 will be a separate report to the Hub Committee in November 2023.

8.2 Capital projects will be scored on the following criteria:

- Health and Safety compliance
- Essential to keep operational assets open
- Fit with the Council's Delivery Plans for the new emerging Corporate Strategy
- To rationalise service delivery or service improvement
- To generate income, capital value or to reduce revenue costs

8.3 It is important that future bids for capital are aligned with the review of the new emerging Corporate Strategy.

Capital Reserves

8.4 The Capital Receipts Reserve (which holds capital receipts which can be used to finance capital projects) has a balance of £70,000 as at 31.3.2023. This reflects the fact that the Council has hardly any capital receipts left that can be used to fund capital projects.

8.5 The Capital Grants Unapplied Reserve has a balance of £312,000 as at 31 March 2023. This is mainly Disabled Facilities Government Grant which will be utilised in 2023/24.

8.6 The Council's Asset Base is £38.3 million at 31 March 2023. The Council will continually review and challenge its asset base in order to deliver the optimum value for money from the Council's Assets.

9 NEXT STEPS AND PROPOSED WAY FORWARD

9.1 The MTFs is the starting point for developing a meaningful three year strategy that sets out the strategic intention for different strands of funding available to the Council. The Council will then be able to rely on this to inform future decisions.

- 9.2 The Council's budget is essentially fixed in cash terms and its ability to raise income is limited as there are national controls in place around council tax and business rates.
- 9.3 Officers will continue to work with the Hub Committee and the results of this will be incorporated into future Budget reports. This will consider ways to reduce the Council's operating costs and generating further income and savings.
- 9.4 Further options for Members' considerations of how to close the predicted budget gap of £393,030 will be presented as part of the 21st November report. The table below shows the budget timetable for the budget meetings for the 2024/25 Budget process.

19 th September 2023	Hub Committee – To consider the three year MTFS (Medium Term Financial Strategy) for 2024/25 to 2026/27
21st November 2023	Hub Committee – To consider draft proposals for the Revenue and Capital Budget for 2024/25.
16th January 2024	Overview & Scrutiny Committee - To consider draft proposals for the Revenue and Capital Budget for 2024/25.
30 th January 2024	Hub Committee – To recommend Final Budget Proposals to Council for 2024/25
15th February 2024 (9am)	Date which Council Procedure Rule 16 applies
20th February 2024	Full Council – To approve Final Budget Proposals for 2024/25 and set the WDBC share of the Council Tax
22 February 2024	Council Tax Setting Panel – to agree the Council Tax Resolution for 2024/25 (This is WDBC share plus all other precepting authorities share).

Note 1- Council Procedure Rule 16 states that ‘Where a member intends to move a motion or amendment in relation to the Budget, the text of that motion or amendment must be put in writing and submitted to the Head of Paid Service by 9am on the third working day before the meeting, in order that officers may have sufficient time to consider and advise the Council of the financial implications of any such motion or amendment’. As per the timetable above, this would need to be submitted by 9am on Thursday 15th February 2024.

10. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		<p>The Hub Committee is responsible for recommending to Council the budgetary framework. It is the role of the Overview and Scrutiny Committee to scrutinise the Budget proposals being proposed by the Council on an annual basis. In accordance with the Financial Procedure Rules, Council must decide the general level of Reserves and the use of Earmarked Reserves.</p> <p>The preparation of the Budget report is evidence of whether the Council has considered and taken into account all relevant information and proper advice when determining its financial arrangements in accordance with statutory requirements, and in particular, that it will set a lawful budget.</p>
Financial implications to include reference to value for money		<p><i>The forecast budget gap for 2024/25 is £393,030. This is 4.4% of the Projected Net Budget for 24/25 of £8.97million.</i> A cumulative budget gap of £591,612 is predicted for 2025/26 (the £591,612 assumes that the 24/25 budget gap of £393,030 has not been closed). The cumulative aggregated Budget Gap by 2026/27 is £2.52million, if no action has been taken in each individual year to close the budget gap annually.</p> <p>There is no indication yet of the detailed local government funding levels for 2024/25 and beyond. Therefore there are many uncertainties in preparing for the challenges we know we will face in the near future.</p>

		<p>As part of Grant Thornton's external audit of the Statement of Accounts for 2022/2023, they will assess the arrangements the Council has in place for:-</p> <ul style="list-style-type: none"> • Improving economy, efficiency and effectiveness • Financial Sustainability • Governance <p>The outcome of Grant Thornton's work in this area will be reported to Members at the Audit Committee meeting in March 2024.</p>
Risk		Each of the budget options taken forward by Members will consider the risks of the option.
Supporting Corporate Strategy		The majority of activities set out in the Council's delivery plans can be delivered through refocusing and reprioritisation of existing resources however, in order to realise the ambition set out in the strategy, some of the activities will require additional resources.
Climate Change - Carbon / Biodiversity Impact		<p>A report was presented to Council on 8th December 2020 'Climate Change and Biodiversity Strategy and Action Plan update'.</p> <p>In March 2021, Council approved to set up an Earmarked Reserve for £200,000 for the Recovery Plan and Corporate Strategy.</p>
Comprehensive Impact Assessment Implications		
Consultation and Engagement Strategy		External consultation and engagement has not been undertaken with regard to this report.
Equality and Diversity		Equality Impact Assessments are completed for the budget proposals.
Safeguarding		None directly arising from this report.
Community Safety, Crime and Disorder		None directly arising from this report.
Health, Safety and Wellbeing		None directly arising from this report.
Other implications		None directly arising from this report.

Supporting Information

Appendices:

Appendix A – Budget pressures and savings

Appendix B – Modelling of the Budget Position

Appendix C - Schedule of Reserves as at 31 March 2023

Background Papers:

None

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WEST DEVON BOROUGH COUNCIL

BUDGET PRESSURES

	BASE 2023/24 £	Yr 1 2024/25 £	Yr 2 2025/26 £	Yr 3 2026/27 £
Waste collection, recycling and cleansing contract inflation (estimate) - assume 7.5% 2023/24 onwards (23/24 also includes some extra inflation provision from 22/23)	345,000	245,000	245,000	245,000
Waste collection, recycling and cleansing contract - Council 19 July 2022	400,000	0	0	0
Waste collection, recycling and cleansing - additional properties	50,000	100,000	100,000	100,000
Triennial Pension revaluation (increase in Pension Employer primary rate contributions)	50,000	0	0	75,000
Inflation on goods and services	150,000	150,000	150,000	150,000
Salaries - provision for pay award at 4% (£216,000) for 2024/25 (total pay of £5.4m), reducing to 3% in 25/26 and 26/27	0	216,000	170,000	170,000
Salaries - 22/23 award of £1,925 per Scale point has been modelled (an extra £210,000 on top of the 2% provided for)	360,000			
Pay award 2023-24 - Initial figures of £1,925 per Scale Point or a 3.88% increase for Scale Point 44 upwards. (£147,000 is the amount over the current budget provision). This will need to be built into the Base Budget in 2024-25.		147,000		
Increase in salaries - increments and pay and grading	175,000	75,000	75,000	75,000
IT inflationary cost pressures - increases in prices	0	90,000	0	0
Extra insurance costs		30,000		
Reduction in car parking income	150,000	0	0	0
Increase in external audit fees	60,000	0	0	0
Housing Delivery Team - Hub Committee 7th June 2022	29,800	0	0	0
Head of Revenues and Benefits - Hub Committee 12th April 2022	30,000	0	0	0
The Planning Improvement Plan, Hub Committee 7 June 2022, noted that the cost of the restructure, £33K per annum, will be funded for the first three years from the additional planning income held in the planning earmarked reserve.	33,000	0	0	0
A Plan for West Devon - Council 28.9.21 - £122,000 cost pressure for 22/23 and £168,000 for 2023/24	46,000	0	0	0
Reduction in Housing Benefit administration subsidy	10,000	10,000	0	0
National Insurance and National Living Wage (NLW increases)	40,000	40,000	40,000	40,000
TOTAL IDENTIFIED BUDGET PRESSURES	1,928,800	1,103,000	780,000	855,000

WEST DEVON BOROUGH COUNCIL

Contribution to Earmarked Reserves
(This line shows the annual contributions into the Reserve)

	BASE 2023/24 £	Yr 1 2024/25 £	Yr 2 2025/26 £	Yr 3 2026/27 £
Contribution to IT Development Reserve (£50K per annum)	50,000	50,000	50,000	50,000
Contribution to Planning Reserve (£25K per annum)	25,000	25,000	25,000	25,000
Contribution to Elections Reserve (20K per annum)	20,000	20,000	20,000	20,000
Contribution to a Joint Local Plan Earmarked Reserve - to commence the JLP review	0	50,000	50,000	50,000
Contribution from the Planning Reserve for the cost of the restructure within the planning service - Hub Committee 7 June 2022 - to be funded for the first three years from the additional planning income held in the planning earmarked reserve	(33,000)	(33,000)	(33,000)	0
Contribution from Business Rates Retention Reserve to smooth the volatility in business rates income from the baseline reset	(150,000)	(150,000)	(150,000)	(150,000)
Contribution from Strategic Change Earmarked Reserve	(32,567)	0	0	0
Contribution to Vehicles Replacement Reserve (£50K per annum) - An increase to £350,000 per annum per year has been built in as a cost pressure.	50,000	350,000	350,000	350,000
Contribution to Joint Local Plan Earmarked Reserve (staffing costs)	25,000	25,000	25,000	25,000
Total Contribution to/ (from) Earmarked Reserves	(45,567)	337,000	337,000	370,000

SAVINGS AND INCOME GENERATION IDENTIFIED

	BASE 2023/24 £	Yr 1 2024/25 £	Yr 2 2025/26 £	Yr 3 2026/27 £
Income from Investment properties (£350,000 is in the Base Budget for 2023/24) - periodic upwards rental reviews on investment properties	50,000	0	0	0
Management fee income from external contracts such as leisure - Council 15 February 2022	45,500	0	0	200,000
IT FIT Project - software savings	10,000	0	0	0
Establishment savings (salary savings) gained from IT and digital communications	50,000	0	0	0
Extra recycling income - this income has already been achieved in 2021-22 (Base budget of £515,000 in 2023-24)	190,000	0	0	0
Extra trade waste income (Base budget of £45,000 in 2023-24)	30,000	0	0	0
Extra treasury management income to reflect increases in the Bank Base rate (Base Budget of £400,000 in 2023-24)	375,000	300,000	0	0
Extra garden waste income (Base budget of £305,000 in 2023-24)	60,000	25,000	0	0
Savings on staff and Member travel and expenses	30,000	0	0	0
Housing Benefit overpayments	40,000	0	0	0
Additional Employments estates income (Base budget of £427,000 in 2023-24)	50,000	0	0	0
Funding from Homelessness prevention government grant (this funds housing posts - funding to be reflected within the base budget)	180,000	0	0	0
Discretion to charge up to an extra 100% extra council tax on Second Homes (timescale is that legislation is likely to be introduced for 25-26). There was a separate report on the Council agenda of 21 February 2023 regarding this.		0	157,000	0
TOTAL SAVINGS AND INCOME GENERATION	1,110,500	325,000	157,000	200,000

Modelling assumptions: Assumes Council Tax is increased by 2.99% annually	BASE	Yr 1	Yr 2	Yr 3
Modelling for the financial years 2023/24 onwards	2023/24 £	2024/25 £	2025/26 £	2026/27 £
Base budget brought forward	7,769,695	8,587,995	8,972,965	9,397,383
Budget pressures (as per Appendix A)	1,928,800	1,103,000	780,000	855,000
Savings already identified (as per Appendix A)	(1,110,500)	(325,000)	(157,000)	(200,000)
Projected Net Expenditure:	8,587,995	9,365,995	9,595,965	10,052,383
Funded By:-				
Council Tax income - Modelling a 2.99% increase in council tax each year (Taxbase 23/24 = 21,225.87 Band D Equivalent properties)	5,391,371	5,630,952	5,880,108	6,138,976
Collection Fund Surplus	377,000	150,000	150,000	150,000
Increase in Council Tax in year collection and recovery (Revenues and Benefits Review)		60,000	60,000	60,000
Localised Business Rates (estimate of business rates resources received in the year)	1,761,000	2,316,000	2,350,000	2,350,000
Increase in Business Rates in year collection and recovery (Revenues and Benefits Review)		75,000	90,000	100,000
Business Rates Tariff/Top Up Adjustment amount (Negative Revenue Support Grant change to baseline need assumed to start in 2026/27)	0	0	0	(117,000)
Revenue Support Grant	89,000	93,000	93,000	0
Business Rates Pooling Gain	200,000	200,000	200,000	0
Funding from Rural Services Delivery Grant	544,625	544,625	544,625	544,625
Funding from Funding Guarantee (3% increase in Core Spending Power) - this was a new grant for 23/24 onwards. Assume discontinued when the Fair Funding Review is implemented in 26-27.	51,044	112,000	150,000	0
Less grants rolled into the Funding Guarantee amount	(88,262)	(88,262)	0	0
Transitional funding - assume the introduction of the business rates baseline reset and the Fair Funding Review will translate into some transitional funding being available to Councils	0	0	0	40,000
Funding from New Homes Bonus (or a replacement scheme)	150,000	150,000	150,000	150,000
Funding from Lower Tier Services Grant	0	0	0	0
Funding from New Services Grant	66,650	66,650	66,650	66,650
Less: Contribution to Earmarked Reserves	45,567	(337,000)	(337,000)	(370,000)
Total Projected Funding Sources	8,587,995	8,972,965	9,397,383	9,113,251
Budget gap per year (Projected Expenditure line 4 - Projected Funding line 21)	0	393,030	198,582	939,132
Actual Predicted Cumulative Budget Gap	0	393,030	591,612	1,530,744
Aggregated Budget Gap (if no action is taken in each individual year to close the budget gap annually)	0	393,030	984,642	2,515,386

Modelling Assumptions: (Assumes an increase in Band D Equivalent properties of 300 per annum)				
Council Tax (Band D) (an increase of 2.99% per annum has been modelled)	254.00	261.59	269.41	277.46
Council TaxBase	21,225.87	21,525.87	21,825.87	22,125.87

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RESERVES - PROJECTED BALANCES					APPENDIX C
	Opening Balance 01.04.2022 £000's	Additions to Reserve 2022/23 £000's	Actual Spend 2022/23 £000's	Closing Balance 31.03.2023 £000's	Comments
EARMARKED RESERVES					
Specific Reserves - General Fund					
Affordable Housing (Revenue)	0	172	(12)	160	This is a new reserve set up as part of the 2022/23 Budget setting process and has been created from a one off contribution from the New Homes Bonus funding in 2022/23 (£172,084).
2016/17 Budget Surplus Contingency	86		(86)	0	This is the Budget Surplus from 2016/17 which was put into an Earmarked Reserve. £55,000 of this spend has been transferred to a new earmarked reserve for Tamar Trails capital expenditure.
Broadband Community Support	50			50	As per the report to the Hub Committee on 1st December 2020, Council approved the creation of a Broadband Community Support Earmarked Reserve, to be financed by transferring £50k from the existing Business Rates Retention Earmarked Reserve in 2020/21.
Car Parking Maintenance	534			534	There is a future commitment for an allocation from this reserve in respect of Brook Street Car Park. This reserve covers all of the Council's car parks.
COVID Losses Earmarked Reserve	254			254	This reserve was set up in 2020/21 to protect against future COVID losses.
Economic Grant Initiatives	26	5	(31)	0	
Elections	34	50	(24)	60	This reserve is used to fund the cost of District Elections
Environmental Health Initiatives	20	84		104	The additions to this reserve relate to savings on Environmental Health salaries in 2022/23 mainly due to additional Disabled Facilities Grant income offsetting salary costs.
Financial Stability	454	163		617	This reserve was created in 2018/19 from the Business Rates Pilot funding. This funding was set aside to assist to smooth out future years' funding variations or reductions, in particular any changes from the Fair Funding Review. A one off contribution of £162,850 was approved as part of the 2022/23 budget (Council Feb 2022)
Flood Works	15		(15)	0	
Grounds Maintenance	78	21		99	This reserve holds the Grounds Maintenance in year surpluses to be reinvested back into the service.
Homelessness Prevention	244		(60)	184	This reserve has been created following underspends on Homelessness Prevention Costs. The spend mainly relates to salary costs following the Housing restructure - Hub 7/6/22. In addition £50k is earmarked for Springhill which is projected to be spent in 2023/24.
ICT Development	25	57	(37)	45	Predicted spend in 2022/23 includes the Future IT project
Innovation Fund (Invest to Earn)	378	5	(7)	376	This reserve originated from New Homes Bonus funding. Future commitments include the upgrading of Hayedown Depot.
Joint Local Plan	0	25		25	
Leisure Services	48	87	(1)	134	The contribution in 2022/23 relates to the re-profiling of the leisure management fees which also attracts an inflationary uplift.
Maintenance Fund (Estates)	361	80	(6)	435	The contribution of £80,000 in 2022/23 was referenced in a report to the Regeneration and Investment Committee on 2 May 2023 with regards to the investment property monitoring report.
Management, Maintenance & Risk Management	418			418	This is a relatively new reserve set up to manage the ongoing maintenance costs of the Council's Investment Property Portfolio.
Neighbourhood Planning Grants	47		(2)	45	
New Homes Bonus (NHB)	506	352	(344)	514	The NHB allocation for 22/23 is £352,084. Spend in 2022/23 includes a £150k contribution to the base revenue budget and £172,084 contribution to the Affordable Housing Earmarked Reserve. In 2023/24 there is a commitment of £193k for Springhill.
Organisational Development	20			20	This reserve was created from external work carried out in other Councils e.g. HR work with Councils also embarking on a Transformation Programme.
Outdoor Sports & Recreation Grants	16		(16)	0	
Planning Policy and Major Developments	146	30	(54)	122	This reserve is for all planning matters and is also required to meet appeal costs. The spend for 2022/23 relates to the Planning restructure. The cost of the first three years of this restructure is to be met from additional planning income in the Planning earmarked reserve (Hub 7/6/22)
Recovery Plan and Corporate Strategy	182		(24)	158	In March 2021 the Hub Committee recommended to Council to transfer £200k of the 2020/21 projected surplus into a new Recovery Plan and Corporate Strategy Earmarked Reserve.
Revenue Grants	1,417	405	(519)	1,303	This reserve comprises of government grants received for specific initiatives or new burdens and are held in the reserve for accounting purposes. The additions in 2022/23 amounting to £405,000 include the Supported Housing Improvement Programme Grant (£104k), New Burdens Council Rebate Final Assessment Grant (£65k) and Contain Outbreak Management Fund Grant (£44k). It is anticipated that a significant amount of these grants will be applied in 2023/24. The grants applied in 2022/23 amounting to £519,000 include the Covid-19 New Burdens Administration Support Grant (£140k), Covid-19 Hardship Fund (£46k), New Burdens Covid-19 Admin Support Grant (£34k) and Covid-19 Local Council Tax Support Schemes Grant (£30k) and various other smaller grants.
Strategic Change (T18)	67			67	£32,567 has been committed as a contribution to the base revenue budget in 2023/24.
Tamar Trails	0	55		55	This is a new earmarked reserve set up in 2022/23 to fund capital expenditure on the Tamar Trails. The £55,000 was transferred from the 2016/17 Budget Surplus Contingency earmarked reserve.
Tree Maintenance	17		(3)	14	A new reserve set up in 2021/22 to hold in year surpluses generated to reinvest back into the Tree maintenance service in future years
Ukraine Humanitarian Crisis	0	669		669	This reserve was set up in 2022/23 to hold funding received to support the Ukraine Humanitarian Crisis which will be spent in 2023/24.
Vehicle Replacement	328	50	(1)	377	This is a new reserve set up to fund the Council's vehicle replacement programme (Council 4 Dec 2018). £50k a year is contributed to this reserve.
Waste & Cleansing Options Review	658	225	(205)	678	In 2022/23 £205k of additional recycling income was transferred to this reserve and this was used to pay for the additional costs of the waste and recycling contract relating to the uplift in the contract sum, effective from 1 July 2022 (Hub Committee 12 July 2022). Future commitments include the capital work at Hayedown depot and an additional vehicle.
Other Reserves below £15,000 (combined)	42	17	(56)	3	
Sub Total excluding the Business Rates Reserves	6,471	2,552	(1,503)	7,520	
Business Rates Retention	1,087	103	(115)	1,075	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. In 2023/24 £150,000 was earmarked to smooth the volatility in business rates.
S.31 Compensation Grant (Business Rates)	1,631		(1,324)	307	This is a new reserve set up to hold the business rates S31 grants received in 2020/21 and 2021/22 to offset the business rate reliefs given to businesses during lockdown. Under current Collection Fund accounting rules, the S31 grants received will not be discharged against the Collection Fund deficit until the following year. This reserve is not money which is available for the Council to spend and it is important that this is not misinterpreted in the Accounts, as this is a national issue.
TOTAL EARMARKED RESERVES	9,189	2,655	(2,942)	8,902	
TOTAL UNEARMARKED RESERVES	1,490	79		1,569	Note: This Unearmarked Reserve has a minimum balance of £900,000 and an operating level of a minimum of £1.25million (set by Members as part of the Budget Process). The 2022/23 surplus of £79,000 has been moved to Unearmarked Reserves, in accordance with normal accounting practice.
TOTAL REVENUE RESERVES (EARMARKED AND UNEARMARKED RESERVES)	10,679	2,734	(2,942)	10,471	

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