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SOUTH HAMS EXECUTIVE - THURSDAY, 11TH DECEMBER, 2014

Agenda, Reports and Minutes for the meeting

Agenda No Item

1. **Agenda Letter** (Pages 1 - 4)

2. **Reports**

Reports to Executive:

- a) Item 7 - Dartmouth Indoor Pool - Requirement for Financial Bond (Pages 5 - 12)
- b) Item 8 - Future Operating Model Opportunities and a revised T18 Business Case
(Pages 13 - 44)
- c) Item 9 - Revenue Budget Proposals 2015/16 (Pages 45 - 72)
- d) Item 10 - Capital Budget Proposals 2015/16 (Pages 73 - 92)
- e) Item 11 - Applications to designate Neighbourhood Plan areas for Dartmouth and Stoke Gabriel parishes (Pages 93 - 106)
- f) Item 12 - Approval of Neighbourhood Plan Areas (Pages 107 - 112)
- g) Item 13 - Local Development Scheme for Our Plan South Hams (Pages 113 - 124)
- h) Item 14 - Dartmouth Park and Ride Service Review (Pages 125 - 134)

3. **Minutes** (Pages 135 - 146)

Agenda Item 1

To: Members of the Executive
(Cllrs Bastone, Gilbert, Hicks,
Saltern, Tucker, Ward and Wright)

Our Ref. CS/KT

cc: Remainder of Council (for information)
Usual officer and press circulation

3 December 2014

Dear Member

A meeting of the **Executive** will be held in the **Cary Room**, Follaton House, Plymouth Road, Totnes on **Thursday, 11 December 2014 at 10.00 am** when your attendance is requested.

Yours sincerely

Kathryn Trant
Member Services Manager

<p>FOR ANY QUERIES ON THIS AGENDA, PLEASE CONTACT KATHRYN TRANT MEMBER SERVICES MANAGER ON DIRECT LINE 01803 861185</p>
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AGENDA

1. **Minutes** - to approve as a correct record and authorise the Chairman to sign the minutes of the meeting of the Executive held on 23 October 2014 (previously circulated);
2. **Members in Attendance** – the Chairman is advised of non Executive Members wishing to speak;
3. **Urgent Business** - brought forward at the discretion of the Chairman;
4. **Division of Agenda** - to consider whether the discussion of any item of business is likely to lead to the disclosure of exempt information;
5. **Declarations of Interest** - Members are invited to declare any personal or disclosable pecuniary interests, including the nature and extent of such interests they may have in any items to be considered at this meeting;
6. **Public Question Time** – a period of up to 15 minutes is available to deal with questions submitted to the Council in accordance with the Executive Procedure Rules (page 1 only);

7. **Dartmouth Indoor Pool – Requirement for Financial Bond** – to consider a report that asks Members to consider whether the council at the request of Dartmouth and District Indoor Pool Trust (DDIPT) would be prepared to remove the requirement for a financial bond under the terms of the Building Licence Agreement to facilitate the construction of the indoor swimming pool (pages 2 to 8);
8. **Future Operating Model Opportunities and a revised T18 Business Case** – to consider a report that summarises ongoing work in relation to the implementation of T18, in particular identifying additional savings and opportunities which have emerged during further detailed work on the organisational design (pages 9 to 35);
9. **Revenue Budget Proposals 2015/16** – to consider a report that updates Members on the revenue budget position for 2015/16 and provides a framework for consultation with the Scrutiny Panel Groups. The report and consultation process will help the Executive identify priorities, prepare the revenue budget and maximise the use of resources (pages 36 to 57);
10. **Capital Budget Proposals 2015/16** – to consider a report that requests the views of the Scrutiny Panel Groups on the Capital Programme proposals of £2, 875,000 for 2015/16 (pages 58 to 73);
11. **Applications to designate Neighbourhood Plan areas for Dartmouth and Stoke Gabriel parishes** – to consider a report that sets out that Dartmouth and Stoke Gabriel have each submitted applications to designate neighbourhood plans in their parishes (pages 74 to 86);
12. **Approval of Neighbourhood Plan Areas** – to consider a report that seeks to amend the process for the approval of Neighbourhood Plan areas (pages 87 to 92);
13. **Local Development Scheme for Our Plan South Hams** – to consider a report that seeks formal approval of a revised Local Development Scheme for the preparation of Our Plan (pages 93 to 104);
14. **Dartmouth Park and Ride Service Review** – to consider a report that explores the future options for the Park and Ride service in Dartmouth, as the current contract for bus provision will end in early 2015 (pages 105 to 112);
15. **Reports of Other Bodies:** to receive, and as maybe necessary to approve, the minutes and any recommendations of the under-mentioned body:-
 - (a) Community Life and Housing Scrutiny Panel: 6 November 2014 (pages 113 to 119);
 - (b) Economy and Environment Scrutiny Panel: 13 November 2014 (pages 120 to 126);and
 - (c) Corporate Performance and Resources Scrutiny Panel: 20 November 2014 (pages 127 to 129).

Members of the public may wish to note that the Council's meeting rooms are accessible by wheelchairs and have a loop induction hearing system

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for those with a visual impairment**

**MEMBERS ARE REQUESTED TO SIGN THE ATTENDANCE REGISTER
THIS AGENDA HAS BEEN PRINTED ON ENVIRONMENTALLY FRIENDLY PAPER**

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NOT FOR PUBLICATION

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

AGENDA
ITEM
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SOUTH HAMS DISTRICT COUNCIL

AGENDA
ITEM
7

NAME OF COMMITTEE	EXECUTIVE
DATE	11 December 2014
REPORT TITLE	Dartmouth Indoor Pool – Requirement for Financial Bond
Report of	Head of Assets & Estates Manager
WARDS AFFECTED	All Wards clustered around Dartmouth from where potential customers of Indoor Pool could be attracted

Summary of report

- (1) To consider whether the Council at the request of Dartmouth and District Indoor Pool Trust (DDIPT) would be prepared to remove the requirement for a Financial Bond under the terms of the Building Licence Agreement to facilitate the construction of the Indoor Swimming Pool.
- (2) Consider whether there are other safeguards to protect the Council from financial exposure in the event of default on the obligations to complete the construction of the Indoor Swimming Pool.

Financial implications

In 2009 the Council approved a £400,000 grant to DDIPT under the Investment in the Community Project.

In addition to the grant approval, the Council also agreed the principle of providing a site for the pool by granting a Ground Lease to the DDIPT. Terms for the Building Licence Agreement and 99 year Ground Lease are currently being negotiated with DDIPT.

The construction of the Indoor Swimming Pool on Council land raises a financial and reputational risk for the Council in the event of underperformance or default by DDIPT or their Development Contractor to complete the construction of the Indoor Swimming Pool.

RECOMMENDATIONS:

- 1.1 That the Executive does not accept the request from DDIPT to waive the requirement for a Bond under the terms of the Building Licence Agreement.

Officer contact:

Kate Cassar, Head of Assets: kate.cassar@swdevon.gov.uk - 01803 861258

Stephen Forsey, Estates Manager: stephen.forsey@swdevon.gov.uk - 01803 861342

1. BACKGROUND

- 1.1 The Executive meeting 10 September 2009 approved an allocation of £400,000 under the Investment in the Community towards the provision of an indoor pool at Dartmouth (E35/09), subject to conditions. It was later agreed in May 2012 (E14/12) to offer a Ground Lease to provide a site for the swimming pool on Council owned land adjacent to the Leisure Centre in Dartmouth.
- 1.2 In April 2011 Devon County Council agreed a grant to Dartmouth and District Indoor Pool Trust (DDIPT) of £1.5 million, subject to conditions.
- 1.3 Dartmouth Town Council has resolved to grant £150,000 to DDIPT towards the capital cost of the pool together with an annual subsidy.

2. ISSUES FOR CONSIDERATION

- 2.1 Since approval from the Executive in May 2012 Officers have been in dialogue with DDIPT to progress terms for Building Licence Agreement and Ground Lease. During this period there have been many issues for DDIPT to consider with obtaining planning consent and redesign of their project to meet their funding constraints.
- 2.2 DDIPT have recently signed a Scape Access Agreement (Scape System Build Limited which is a Local Authority Controlled company) to publicly procure works, goods and services. In this context Kier Construction have been appointed by DDIPT to act as lead Consultant and Contract Administrator for the building contract.
- 2.3 There have been a number of property related issues arising from the proposed Ground Lease and the Building Licence Agreement with negotiations ongoing between Officers and DDIPT Trustees. However, there is now a fundamental issue with the requirement of the Council requesting a Financial Bond from DDIPT to protect the Council (as landowner) from any financial exposure in the event that the building project is not completed or built to a specified standard. DDIPT have indicated that they have made enquiries to obtain a Bond but are unable to obtain an insurance policy due to the prohibitive cost of the premium and the adverse impact of other terms and conditions that the Insurers would seek to impose due to the status and financial standing of the Trust.

- 2.4 The request for a Bond is a standard requirement when a landowner gives consent for a third party to undertake building works on their land. The essence of the Bond is to protect a landowner in the event of default by the third party tenant or their contractor(s) to complete the project in accordance with the terms of the Building Licence Agreement.
- 2.5 As this is a very prominent gateway site into Dartmouth and an operational asset of the Council (adjoining Leisure Centre, Park and Ride and Sports Pitches) there are significant reputational and financial risks to the Council in the event the project is not fully completed once works have commenced.

3. RISK AND BENEFIT MANAGEMENT

- 3.1 The Risk Management implications are shown in the table at the end of this report which illustrates the risks that may occur and adversely impact upon the Council in the event default by DDIPT or their Contractor.
- 3.2 In summary the major benefit arising from this community led initiative is the provision of a long awaited indoor swimming pool and learner pool in Dartmouth. This will bring health and well being outcomes from the provision and access of a pool adjacent to an existing Leisure Centre and is located in a ward which is nationally in the most deprived quintile.
- 3.3 The major risks arising for the Council as both landowner and funder link to:
- 1) The possible overrun of capital costs on an already tight budget
 - 2) Non completion of the project once works have commenced
 - 3) A request for further capital funding from DDIPT if the project runs into financial difficulties

4.0 CONCLUSION

- 4.1 The Council has made clear its principle intent to support an indoor pool in Dartmouth and has backed this up with an offer of £400,000 grant in 2009 and the offer for the land adjacent to the current Leisure Centre to be used as the site for the new Indoor Swimming Pool.
- 4.2 Authority to the grant of the Building Licence Agreement and Ground Lease were approved by the Executive in 2012 but, also indicated that the Council would not support any further requests for revenue or capital funding to support this project.
- 4.3 If the Council doesn't agree with the request from DDIPT to remove the requirement for a Bond then there is a risk that the project will not be able to proceed due to the additional financial costs of providing a Bond. Therefore, the opportunity to provide an indoor pool which was the subject of the initial grant offer would be foregone and, with this, the additional funding from Devon County Council and Dartmouth Town Council.

Corporate priorities engaged:	This report primarily relates to 'community life' contributing to health and social outcomes.
Statutory powers:	S19 Local Government (Miscellaneous Provision) Act 1976; S2 of the Local Government Act 2000
Considerations of equality and human rights:	No specific issues arising from this report
Biodiversity considerations:	No specific issues arising from this report
Sustainability considerations:	No specific issues arising from this report –however overall funding available to DDIPT will influence build efficiency
Crime and disorder implications:	No specific issues arising from this report - however use of leisure facilities is recognised as having beneficial impacts in relation to anti-social behaviour.
Background papers:	
Appendices attached:	Appendix A - Exempt Information

COUNCIL'S STRATEGIC RISKS TEMPLATE

No	Risk Title	Risk/Opportunity Description	Inherent risk status			Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel		
DDIP1	Capital Funding Shortfall	That DDIPT fail to have a sufficient contingency to cover unforeseen costs or cost overrun	5	3	15 ⇄	Council has no direct control on DDIPT's financial or contractual management of the build process. The Building Licence Agreement has imposed certain obligations including the requirement for a Bond to protect the Council from any adverse impact as a result of the construction of the Indoor Pool on Council owned land	Council
DDIP2	Public Expectations – as Leisure Provider and landowner	<p>If the indoor pool project is not completed there will be an expectation from the public that the Council will step in to complete the swimming pool project.</p> <p>There is potential reputational risk if the Council is perceived as acting unreasonably if a semi-completed pool is located on land adjacent to the Leisure Centre</p>	5	3	15 ⇄	There is no mitigation other than a financial bond which would be used to complete the project. The Council has issued clear statements that it will not provide any further capital or revenue funding for this project	Council
DDIP3	Contractual Risk	DDIPT will enter into a 'fixed price' contract with Kier to deliver 25-30 work packages to construct the new indoor pool	5	4	20	There is no guarantee from Kier or the sub-contractors/suppliers that the build contract will not incur further costs for DDIPT during the construction phases	Council
DDIP4	Overrun of costs due to events outside the control of DDIPT or their Contractor	That events outside the control of DDIPT or their Contractor occur which impact on budget costs	5	2	10	There is a question whether the contingency or other financial resources available to DDIPT would be sufficient to cover any unforeseen costs	Council

No	Risk Title	Risk/Opportunity Description	Inherent risk status			Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel		
DDIP5	Estimates and Cost forecasts are inaccurate	At this stage it is unknown whether the tender price for the contract will be within budget	5	1	5	DDIPT will not enter into contract unless it is within budget	Council
DDIP6	The general risk of an error or omission in the specification	There may be changing requirements after the project has started due to errors, omissions or changing project brief after the project has started.	4	2	8	DDIPT have engaged the services of Kier who are professionally and technically competent in this area of work and have a track record on delivering similar projects	Council
DDIP7	Project disrupts operations of the adjoining Leisure Centre	There is potential that the building works disrupt the operations of the adjoining Leisure Centre	3	2	6	The Building Licence Agreement imposes practical obligations to limit any nuisance or disruption together with financial penalties on DDIPT	Council
DDIP8	Cost of materials or labour rates increase dramatically after tender process completed	There is a risk that costs will rise after the tender process has been completed and certain sub-contractors may not be able to fulfil their obligations to the contract	4	2	8	Although a fixed price contract there is a risk that any additional costs as a result of 3 rd party default would rest with DDIPT	Council
DDIP9	External change Risks	Risks that are beyond the immediate project environment but which could have a major impact. 'Force majeure' events that are exceptional, unforeseen or circumstances that are beyond the reasonable control of the DDIPT or their Contractor	4	1	4	DDIPT have engaged the services of Kier who are professionally and technically competent in this area of work and have a track record on delivering similar projects. The project contingency would help mitigate any risks in this respect	Council

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AGENDA
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SOUTH HAMS DISTRICT COUNCIL

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ITEM

8

NAME OF COMMITTEE	EXECUTIVE
DATE	11 DECEMBER 2014
REPORT TITLE	FUTURE OPERATING MODEL OPPORTUNITIES AND A REVISED T18 BUSINESS CASE
Report of	EXECUTIVE DIRECTOR (COMMUNITIES) & HEAD OF PAID SERVICE EXECUTIVE DIRECTOR (RESOURCES) HEAD OF FINANCE
WARDS AFFECTED	ALL

Summary of report:

The report summarises ongoing work in relation to the implementation of T18, in particular identifying additional savings and opportunities which have emerged during further detailed work on the future organisational design.

Balanced against these long term financial benefits is the outcome of the Phase 1a and SMT recruitment process. Experience suggests that initial implementation costs are predicted to increase if the Councils are to successfully secure major cultural change and ensure that there are the right skills, attitudes and behaviours across the two organisations to meet future challenges.

This report summarises the anticipated impact of the expected annual savings and one-off investment costs on the business case, the revised investment pay back periods and includes proposals to manage the cash flow implications during the transition phases.

Financial implications:

The Council faces the challenge of a funding gap of over £2.5 million (28%) over the next four financial years, in the context of net revenue spend of £9 million as the base position for the programme (i.e. the expenditure of the Council is predicted to exceed the funding available by £2.5 million by four years' time). To respond to the financial challenges requires either a major reduction in services and associated staffing during this period, or the ongoing implementation of the current Transformation Programme.

For South Hams District Council, the updated T18 business case delivers:-

- Recurring annual savings of £3.37 million (SHDC share of the savings) as shown in section 4.1
- The updated payback period is 2 years and 6 months for South Hams
- To achieve these outcomes the revised business case requires additional investment from the Council of £1.66 million (The initial business case anticipated an investment of £2.95 million and in the revised business case this figure is £4.61 million as shown in Section 4.1)
- A 'fit for purpose' organisation that will be in a position to drive further income opportunities, generating funding to support the Council's future priorities
- The Transformation Programme has received Government backing as the Council will receive Government funding from the Transformation Challenge Award of £434,000 (SHDC's anticipated share of a joint award for funding of £700,000 between both South Hams and West Devon Councils based on the ratio of contribution to initial investment).

Across both Councils (South Hams District Council and West Devon Borough Council), the updated T18 business case delivers:-

- A 30% saving (£5 million combined saving with the SHDC share being £3.37 million) on the combined net revenue budgets of both South Hams and West Devon Councils of £16.8 million
- Once fully implemented T18 will deliver a monthly saving of £320,000 across both Councils, compared to the base line position, emphasising the importance of maintaining the Programme's current momentum
- The implementation of phase 1a and the restructuring of the senior management team will deliver combined annual revenue savings of £915,000.

RECOMMENDATIONS:

That the Executive recommends to Council to:

- (i) approve an updated investment budget of £4.61 million for the T18 Programme, to deliver annual recurring revenue savings of £3.37 million as shown in section 4.1;***
- (ii) finance the net cashflow requirement of £1.594 million in accordance with the Investment and Financing Strategy as shown in section 1.2 of Appendix D;***
- (iii) transfer £225,000 into an Earmarked Reserve for T18 as shown in Section 1.3 of Appendix D***
- (iv) delegate authority to the S151 Officer to determine the appropriate allocation of investment costs against revenue and capital funds including establishing a Strategic Change Earmarked Reserve as detailed in Section 4.8;***

- (v) **share the Transformation Challenge Funding award of £700,000 with West Devon Borough Council, based on the same ratio as the initial investment costs, resulting in £434,000 for South Hams District Council and £266,000 for West Devon Borough Council as detailed in Section 4.3;**
- (vi) **approve the amended senior management structure as set out in the report;**
- (vii) **approve the amended line management responsibility for the Commercial Services Group Manager.**

Officer contact:

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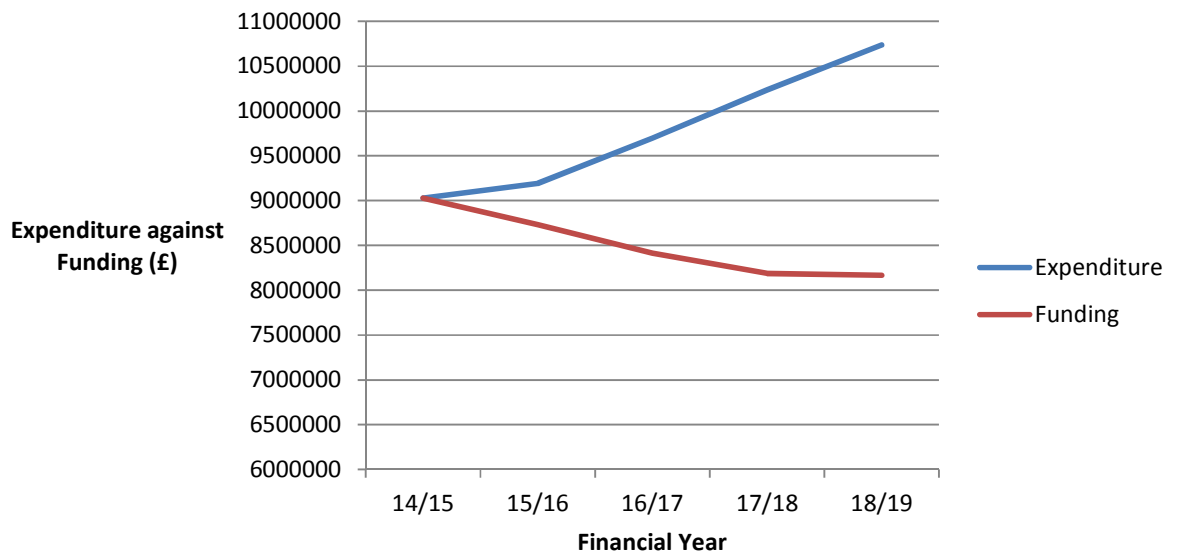
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1. BACKGROUND

- 1.1 The Council has embarked on an ambitious plan to totally redesign its service delivery to ensure a better experience for the customer, which is fit for the future and at the same time, reduces the cost to the taxpayer.
- 1.2 The implementation plan is divided into three phases, the first stage being Support Services, which went live on time in September 2014. The remaining phases are due to be delivered in June 2015 and March 2016.
- 1.3 Inevitably as such a major transformational programme is implemented in phases there is a significant level of organisational learning which enables the initial proposals to be further developed. Changes also affect initial expectations and therefore the original business plan. Reports to Members last autumn noted that *'with a programme of this size and length many of the costs and savings are based on a series of assumptions, some of which are variable and could be subject to change. For example, it is difficult to predict staff exit costs at this point in the programme.'*
- 1.4 The Council faces the challenge of a funding gap of over £2.5 million (28%) over the next four financial years, in the context of net revenue spend of £9 million as the base position for the programme. The graph below shows that the expenditure of the Council is predicted to exceed the funding available by £2.5 million in four years time.
- 1.5 The new operating model is therefore pivotal to achieving substantial savings to secure the long term future of the Council and to ensure effective future service delivery, despite the anticipated major reductions in government grant. Indeed the Council is now planning for no revenue support grant by 2020.

**£2.5 million Funding Gap to 2018/19
(28% of SHDC's Net Revenue Budget of £9 million)**



1.6 The national financial picture can be summarised as:

- There has been a 40% reduction in central government support 2011-2016;
- Councils will need to be self-financing and be able to finance their services from income including business rates, council tax, new homes bonus and other sources by 2020;
- The Chancellor's Autumn Statement in early December is likely to further worsen the local government funding position for 2015/16 and beyond.

1.7 As 65% of revenue expenditure is spent on staff related costs for non manual activities, responding to this scale of financial challenge cannot be met without reducing staff numbers.

1.8 However by establishing T18 and therefore creating the future model, we will be able to reduce staff numbers whilst still maintaining frontline services despite the reduction in funding. The model will also create the best foundations to pursue income opportunities in the future.

1.9 In summary, it is anticipated that the recent work to update the model will achieve revised annual savings of £3.37 million for South Hams District Council. These savings, combined with the annual savings of £1.64 million being delivered for West Devon Borough Council, mean that the operating model will deliver savings of 30% (£5 million) of the combined net revenue budgets of the Councils of £16.8 million. This will not require any reduction in service delivery. Initial one off investment costs for the Council are now estimated to be £4.61 million as shown in Section 4.1.

- 1.10 It is also important to see our current 'internal' Transformation Programme in the wider context of developing 'Our Plan' and establishing the culture to achieve more effective working with partners and communities in localities, as well as enhancing our future income generating opportunities.

2 IMPLEMENTATION OF THE PROGRAMME - ACHIEVEMENTS TO DATE

- 2.1 The first phase of the programme has now gone live and support services staff have been appointed into the new model.
- 2.2 This team has been in operation for several weeks. The majority of the initial vacancies have now been filled and by January the Finance Community of Practice will be at full strength and it is anticipated that the ICT Community of Practice will have filled all vacancies.
- 2.3 All members of the team are now working in an agile manner. All staff use laptops and there are no fixed desks. This has really assisted in breaking down old model departmental silos as staff from different disciplines have worked collaboratively on projects which impact on the whole team.
- 2.4 A number of processes in HR and Legal have been built into the ICT system known as W2 (Workflow) and training is being undertaken. The processes will then be activated. The focus currently is on Document Management systems which will contribute towards the section going 'paperless' over the next few weeks.
- 2.5 A number of quick wins have been implemented to improve efficiency. These include:
- Making the payment of invoices more automated. Electronic reminders (called self serve alerters) have been introduced for payment of invoices. These enable invoices to be authorised via direct electronic reminders which include one click links to the relevant processes in the financial system;
 - A new room booking system has been introduced. This will cut out most of the manual intervention in the previous process and ensure that room use is maximised;
 - The payroll self-serve software has been installed. Electronic submission of travel claims will be tested in December as will be electronic leave cards. Electronic payslips should be available from January.

- 2.6 Key achievements across the Programme's separate work streams include:

ICT

- The procurement and migration to completely different systems than those used in the past is well underway. The procurement activity saved £200,000 against the budgeted spend as outlined in the initial business case, with this funding available to support other aspects of the Programme.
- Effective working relationships with the supplier have been created. Two of the main projects, the customer portal which will allow customers to view bills, track progress of applications and claims; and the migration of the majority of the back office systems to one new system are both on target against dates of April 2015 and June 2015 respectively.

Accommodation

- The approved accommodation strategy is being successfully implemented on schedule. It is based on achieving agile working, with co-location of support staff for both Councils at Follaton House and retaining customer access to services at Kilworthy Park along with a Civic Hub, Member Services and staff touchdown facilities.
- Much of staff touchdown hot desk accommodation at Follaton is now in place with the work programmed to be completed on time.
- The agile 'hot desk' office space at Kilworthy is operational. Work has started on identifying potential 'touch-down' spaces in the localities.
- Heads of terms for a major new tenant at Follaton have been agreed and subject to final sign off of business case, the new tenant will be occupation in 2015. Income from the letting will be in advance of the business case expectation.
- Heads of terms have been agreed with an additional new tenant at Kilworthy for anticipated commencement in January 2015. Income from the letting will be in advance of the business case which programmed new tenant income in 2015/16, based on the letting market at that time.

Business Processes

- This work stream is responsible for delivering a significant proportion of the savings and is divided up into a number of periods of intensive activity known as sprints. Sprints have been undertaken covering a broad range of Council processes so far including Council Tax, Planning and Environmental Health. We are on target to complete 22 development sprints by May 2015 which will likely be in excess of 400 processes. This should be the majority of business processes required for phase 1b.

HR

- The selection process into the new operating model for 1a took place earlier this year. Staff attended familiarisation workshops in June which prepared them for the process and emphasised the IMPACT behaviour framework. Assessments took place in July and consisted of a variety of case studies and a formal interview.
- There were 50 jobs available in the new model for Phase 1a and 70 people were in scope. Of those, 16 requested and were granted voluntary redundancy. Of the remaining 54 who went through the process, 48% secured their preferred role and 26% secured their second or third preference. Unfortunately we were unable to offer posts to nine people and they were made redundant in July 2014.
- Establishing the host organisation, SERVACO, will assist the Councils in embedding the IMPACT behaviours required for the culture change necessary for the new operating model.

- Selection for the third tier Managers and Community of Practice Leads for phase 1b activities will take place during January and February 2015. Staff selection for phase 1b is scheduled between February and April 2015.

Customer Service

- New software which will shortly be installed will provide data to enable us to better understand how customers like to interact with the Councils and enable us to target digital solutions to those who are likely to take them up. We can also use the data to inform the locality working project, ensuring that we are making the best use of the officers out and about in the district.
- The project team has also been gathering information on the experiences of other councils who have been undergoing projects to encourage take up of cheaper forms of contact such as electronic and telephone. This has been done via a nationwide survey and we have gained some valuable insight into the best approach for the customer and the councils. There are many approaches and techniques to consider, these will form the basis of the Channel Shift Plan which will be developed next year.

Locality Working

- Officers have worked with a group of Councillors to start to shape the locality working model to ensure that it meets the needs of customers but also strengthens the role of Councillors as community leaders.
- The group have already agreed a set of principles that we are using in the design of service provision in the Locality Model and they are currently working on a set of skills and behaviours that would aid Members to be fully effective community leaders in the new model.
- Further work for the group will involve piloting the technology/mobile device(s) for Members to operate in the new model and, in the longer term, thinking about how we achieve a multi-agency engagement framework and the joint/local commissioning of services.
- A bid for £90,000 to DCLG's 'Delivering Differently In Neighbourhoods' fund has been submitted to support our future locality working under T18.

Review of the Senior Management Structure

- When the business case was being developed it was anticipated that restructuring of senior management could occur towards the end of the Programme. When the business case was approved by Members, SMT comprised of a Chief Executive, two Corporate Directors, seven Heads of Service and three PAs. In June 2014 the Council agreed to reduce its costs by approving a future senior management structure consisting of two Executive Directors and four Service Leads (now termed Group Managers) with no dedicated PAs.

- The revised timetable for the senior recruitment has enabled combined savings of £350,000 per annum to be achieved earlier than scheduled in the business case. The one-off costs of the external recruitment process will be funded from the in year savings secured by not continuing with the former Chief Executive post. This follows from the adoption of the Executive Director model in June 2014, subsequent to the pilot arrangement started in January 2014. It is anticipated that the recruitment process will be completed shortly with most appointees in post by Easter 2015.

Developing the detailed design for phase 1b and 2

- There has been a significant review of the Strategy and Commissioning element of the future model, the management structure below the senior management team, the levels of professional capacity required in the new model, the interrelationship with front line service delivery and developing the localities element of the model. Work continues on many of these areas but some of the changes emerging to the model now require formal consideration by Council.
- The role of Corporate Planning & Strategic Finance (S151) Lead (a second tier post in the management structure) replaces the original role of Head of Strategy and Resources as recommended in the report to Council June 2014, although the salary range remains unchanged at between £61,000 to £66,000 (Appendix A). This will strengthen the strategic financial expertise at a senior level at the same time as ensuring a robust commissioning cycle is adhered to.
- It is proposed that line management responsibility for the Ferry, Salcombe Harbour, AONB and the building control partnership is undertaken by the Commercial Services Group Manager (Appendix B).

3 EMERGING OPPORTUNITIES

- 3.1 The future operating model which the T18 programme will deliver does not exist in its entirety elsewhere and whilst we can learn from others experience to some extent (in particular Eastbourne BC), the model has and will continue to evolve.
- 3.2 During the design process to date, confidence has grown as to the potential that it offers and the organisational design has been influenced by this, as well as by a growing detailed understanding of the many processes the Council undertakes. In addition the proposed creation of a new commercial services delivery unit which has emerged from work that has taken place over the past few months means that further efficiencies and market growth can be realised from 2017 onwards.
- 3.3 Appendix B shows the proposed changes, the revised management structure and the activities to be carried out by this unit. It provides the Councils with the opportunity to build upon current service provision through the use of charging powers or trading vehicles as appropriate and deliver ethical, commercial services direct to individual customers or to localities through partners. Beyond the obvious commercial advantage to this solution, the replication of the cultural change at the front line offers an opportunity to improve staff productivity amongst the 'out of scope' workforce.

- 3.4 By creating this organisational structure and pursuing an appropriate trading vehicle (or vehicles) for delivery (e.g. a Local Authority Trading Company) then the revenue costs, based on the current spend for front line services, could be improved arising from new ways of working and more efficient use of resources. It would then be the business aim to improve on its position annually either through improved overall spend or through reinvestment in the front line services.
- 3.5 Further work will need to be undertaken over the next few months on an outline business case to be presented to both Councils to assess the commercial trading options available and how these can be best delivered in our communities.
- 3.6 Whilst the potential shared arrangements with Torridge are no longer being pursued, the work undertaken to establish the options has created a valuable insight into the varying partnership arrangements that could be considered as part of the future operating model. All of which would create income opportunities for the Councils. However at this stage this has not been factored into the updated business case. Options range from selling the very valuable experience some of our staff have gained whilst developing the model at one end of the spectrum to a full developed shared service option at the other.
- 3.7 There are a significant number of councils wanting to know more about the Transformation Programme, as most councils are now searching for ways to drastically reduce their costs as the challenging financial landscape becomes a long term problem.
- 3.8 Whilst a shared arrangement with a neighbour might be of most value strategically, perhaps the most valuable from an income perspective is selling some of our services operating in the new model to other parts of the public sector.
- 3.9 Once the model is live we will have a unique proposition which needs to be developed as a commercial offering. This will in its own right be a significant project which will need the engagement of our suppliers. This project will begin in 2015 and members will be kept informed of progress.

4. UPDATED T18 BUSINESS CASE

- 4.1 The revised T18 Business Case for South Hams District Council is summarised below (as shown in Appendix C):

	Initial Business Case (Oct 13)	Revised Business Case (Nov 14)	Increase
Recurring Annual Savings (SHDC share)	£2.5 million	£3.37 million	£0.87 million (35%)
One-off Investment costs (SHDC share)	£2.95 million	£4.61 million	£1.66 million (56%)
Payback period for SHDC	2 years	2 years 6 months	6 months

- 4.2 The Updated Business Case for the Transformation Programme has a net present public value of £5.5 million (SHDC's share) over the next 5 years. The Government's New Economy Cost Benefit Analysis tool has been used to assess the Updated Business Case. This demonstrates the value for money being delivered by the Transformation Programme for residents of the district. The Net Present Value calculation of the project using Treasury's Green Book principles (using a discount rate of 3.5%) demonstrates that the payback period for the Programme is 2 years and 6 months.

Update on the Transformation Challenge Award (TCA) funding

- 4.3 South Hams District Council and West Devon Borough Council submitted a joint bid to the Government's Transformation Challenge Award. Our pioneering plans to transform the way the Councils operate have been endorsed by the Government which has awarded us £700,000 (between both Councils) to further develop new ways of working. Our Councils have secured the money through the Transformation Challenge Award organised by the Government's Public Service Transformation Network which champions public sector reform. It is recommended that the Government funding is split based on the ratio of upfront investment costs i.e. 62% SHDC and 38% WDBC. This equates to £434,000 for SHDC and £266,000 for WDBC.

Schedule of savings and investment costs

- 4.4 Appendix C gives a detailed breakdown of the updated schedule of savings and investment costs for the T18 Programme. This shows that the total net annual revenue savings are £3.37 million and the total one-off investment costs (capital and revenue) are £4.61 million.

Early savings from the Programme

- 4.5 The decision to create an earlier Phase (Phase 1a for Support Services) was taken after the initial Business Plan was agreed. The financial benefit of Phase 1a and the senior management restructure has equated to early savings of £915,000 (shared between the two Councils) being delivered.

Reasons for the increase in the annual savings

- 4.6 Savings are above initial projections for a number of reasons. There is a revised reduction in full time staff equivalents (FTEs) from 97 FTE's to 111 FTE's (this equates to approximately 30% of the combined Councils in scope workforce) as more work has been mapped to case management rather than more expensive specialists, following detailed design in tandem with growing confidence that the software will be able to deliver better integrated data and processes. In addition, the previously agreed new travel policy will be implemented in June saving £128,000 (SHDC's share) with the potential for other staff related savings as the work force reduces. There will also be a £305,000 contribution to the SHDC business case by applying aspects of the new ways of working, using better quality data, data integration and more efficient use of resources, in recycling and waste services, commercial waste collection and street cleaning/public realm management.

Reasons for the increase in projected investment costs

- 4.7 While the business case remains robust it is recognised that the initial investment required to secure the substantial future savings is significant. In response officers have reviewed the implementation of the initial phase of T18 and considered possible changes that might help reduce the upfront one-off costs.
- 4.8 The investment in IT and accommodation is in line with the initial business case however officers are projecting an increase in the cost of cultural change based on the outcome of recruitment to date. The main reason for projecting increased staff change costs since the initial assumptions that were developed last summer arises from the difficulty of predicting human behaviour and controlling staff churn during a major change programme. Of the key implementation costs, it was always expected that staff change costs would be the most difficult to manage. For this reason financial support for our staff change costs was the basis for the bid to TCA for £700,000. However it must also be recognised that not all of the staff change costs are attributable to the Programme as the projected reduction in government funding would have led to a significant number of staff being made redundant. As staff change costs will fluctuate throughout the period of the Programme, it is recommended that a Strategic Change Earmarked Reserve is set up to manage these costs and when costs arise, they will be financed from this Reserve.
- 4.9 The scale of escalation of staff change costs which would undermine the business case is £10.98 million (SHDC share of such a total would be £7.03 million). So if staff change costs across both Councils rise to £10.98 million, this is the point at which the Net Present Value of the Business Case falls to zero and the business case is undermined. However officers are confident that this situation will not arise.
- 4.10 In an attempt to reduce the predicted increase in costs officers have undertaken an evaluation of options, such as recommending a change to the Redundancy and Interest of Efficiency Policy, limiting the voluntary redundancy opportunities by selecting for redundancies (rather than the current approach of positively recruiting to the model) and placing a cap on numbers allowed to leave on this basis. Changing the approach part way through the Programme will of course create a new risk in relation to a possible challenge from the unions and staff.
- 4.11 However all these options would limit the cultural change which is absolutely essential to ensuring the new model is successful. The ability of staff to work in the new model, to provide excellent customer service, to be able to respond quickly to changing needs of customers and the community, to harness new technology, to adapt, to challenge the status quo, to always maintain a 'can do attitude', to work collaboratively and to do so with less management must be tested through a selection process. Prior performance is not a reliable indication of a person's ability to work in the very different environment that the new model will create.

- 4.12 To move away from the current process of selection coupled with the existing voluntary redundancy scheme would seriously put at risk the significant predicated savings. With staff costs representing over 65% of the Council's annual running cost, the number of staff it employs must be reduced. Implementation of the new operating model is the only way to ensure this reduction in staff does not lead to a reduction in front line services.

Updated investment and financing strategy

- 4.13 An initial net cashflow requirement of £1.594 million is required and it is recommended that this is financed in accordance with the Investment and Financing Strategy as shown in Appendix D. The original Business Plan considered by Council on 31 October 2013 anticipated an initial net cashflow requirement of £1.01 million and therefore Appendix D sets out a strategy of how the updated figure of £1.594 million could be financed. The net cashflow requirement is the money that will be needed to be paid out in advance of the savings materialising in full and equates to £1.433 million in 2014/15 and £0.161 million in 2015/16 (a total of £1.594 million) as shown in Appendix C.

T18 expenditure monitoring report

- 4.14 Appendix E sets out the T18 expenditure monitoring report to date. This shows expenditure as at 24 November 2014 equating to £735,228 for South Hams District Council. The profiled budget for the same period is £1,033,470 and the expenditure of £735,228 is currently £298,242 below the profiled budget.

Implementation costs to be funded from the Phase 1a salary savings

- 4.15 There are salary savings from Phase 1a (Support Services) of £565,000 per annum shared between both Councils (SHDC share of the savings is 63.7% - £360,000). These savings have been generated earlier than the original Business Plan anticipated due to the creation of an earlier phase i.e. Phase 1a – Support Services. There are some costs associated with the transition of both Phase 1a (Support Services) and Phase 1b and these transition costs are being paid for from the early savings achieved. The combined transition costs (to be shared between both Councils) are detailed below:-

- Costs of transition resources (up until March 2015) - £155,000
(This is the cost of a small number of staff who work for support services who are staying for a short term period after the go live date of 29 September 2014 to help hand over duties and train staff and to work on short term transition projects in support services. These staff do not form part of the new support services staffing structure and are a short term resource to help with transition to the new structure).
- Cost of sprint staff (up until March 2015) - £75,000
(This is the cost of temporary staff that are assisting the Business Development team with mapping of the processes for Phase 1b into the new Workflow system).

5. NEXT STEPS

- 5.1 The strategy is to maintain the momentum of the Programme to ensure savings are delivered to align with the Medium Term Financial Strategy and to minimise the current levels of uncertainty for staff. The next phase of recruitment to the model will begin in January 2015. The first phase of implementing major ICT changes within support services will be implemented in the new year. Accommodation changes will be completed early next year and marketing of the space available will continue. Further detailed work to develop the arrangements for both Mobile Locality Officers and the Community Enabling team will be a key focus. The current governance arrangements for the Programme will also be reviewed in light of the senior management changes, as well as the member governance review arising from the Boundary Commission's conclusions on levels of member representation from May 2015.

6. LEGAL IMPLICATIONS AND STATUTORY POWERS

- 6.1 This report updates the initial business case for T18 and requires additional investment on an 'invest to save' basis of funding not currently budgeted for. Furthermore the report recommends a further revision to the initially proposed structure of the organisation. The proposals therefore require approval by full Council as the body responsible for the policy framework and the overall budget.

7. FINANCIAL IMPLICATIONS

- 7.1 The Council faces the challenge of a funding gap of over £2.5 million (28%) over the next four financial years, in the context of net revenue spend of £9 million as the base position for the programme (i.e. the expenditure of the Council is predicted to exceed the funding available by £2.5 million by four years' time). To respond to the financial challenges requires either a major reduction in services and associated staffing during this period, or the ongoing implementation of the current Transformation Programme.
- 7.2 The financial implications are set out in the report. In summary, it is anticipated that the recent work to update the model will achieve revised annual savings of £3.37 million for South Hams District Council. These savings, combined with the annual savings of £1.64 million being delivered for West Devon Borough Council, mean that the operating model will deliver savings of 30% (£5 million) of the combined net revenue budgets of the Councils of £16.8 million. This will not require any reduction in service delivery. Initial one off investment costs for the Council are now estimated to be £4.61 million as shown in 4.1.

8. RISK MANAGEMENT

- 8.1 The Risk Management implications are shown at the end of this report in the Strategic Risks Template.

9. CONCLUSIONS

- 9.1 The Councils are part way through delivering a major Transformation Programme that will change the way local government services are delivered as a response to the current financial challenges. To date most of the work streams are being successfully delivered on time and within budget. While the initial investment costs to fund organisational change are anticipated to increase, detailed further work on the future operating model has identified further savings and the business case remains robust.
- 9.2 It also important to bear in mind that the current focus of T18 is the internal organisational change but the Programme is part of wider transformation in the way the Council 'will do business' in the future. This change is designed to ensure that future services are commissioned based on a better understanding of community needs, facilitating greater cross agency working in localities and creating a culture that drives future income opportunities. In combination these changes will provide the capacity for the two Councils to respond to community ambitions, changing the focus over recent years which could be characterised as being dominated by incremental service reductions to achieve a balanced budget.

10. OTHER CONSIDERATIONS

Corporate priorities engaged:	This report relates to the delivery of the Council's future priorities embodied in the emerging 'Our Plan' during a period of increasing financial constraint
Considerations of equality and human rights:	This report updates Members on the opportunity for developing improved access to a range of Council services and meeting a wide range of customer needs
Biodiversity considerations:	None
Sustainability considerations:	The updated model is designed to ensure that both Councils are sustainable in the medium term. Greater agile working linked to better use of technology should reduce the Councils' carbon footprints
Crime and disorder implications:	None
Background papers:	Reports to Council – 31 October 2013, 20 March 2014 and 19 June 2014
Appendices attached:	Appendix A – Updated Organisational Design Appendix B - Commercial Services Design Appendix C – Phasing of savings and investment costs Appendix D – Investment and Financing Strategy Appendix E – Financial T18 Expenditure monitoring report – as at 24 November 2014

STRATEGIC RISKS TEMPLATE

No	Risk Title	Risk/Opportunity Description	Inherent risk status				Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel			
1	Financial Risk - Funding	<p>Funding availability for initial investment to implement the Programme. The Council reports of 31/10/13 (SHDC) and 04/11/13 (WDBC) set out an Investment and Financing Strategy for the Programme</p> <p>The revised investment costs at SHDC are £4.61 million, to realise annual combined recurring savings of £3.37 million. The Programme has a payback period of 2 years and 6 months</p>	5	2	10	↓	<p>Investment and the availability of resources have been profiled in the context of an updated business plan</p> <p>Continue to explore external funding opportunities, such as Transformation Challenge Funding & Delivering Differently programme</p> <p>Investment costs will be funded from Reserves as set out in each Council's Investment and Financing Strategy</p>	Executive Directors; Finance Professional Lead
2	Financial Risk - Costs	Higher than anticipated costs and/or lower than anticipated savings arising from the Programme. Key variable risk is the cost of staff redundancies and experience, following recruitment to Phase 1a and SMT, has demonstrated that these costs are projected to increase	4	4	16	↑	<p>Increase visibility of financial limitations to budget holders and Workstream Leads</p> <p>Ongoing monitoring of costs and savings within the Programme. Sensitivity analysis undertaken</p> <p>In recognition of uncertainty of some costs, introduce contingency sum into detailed business plan and review after each phase, particularly in relation to staff change costs</p>	Executive Directors; Finance Professional Lead

No	Risk Title	Risk/Opportunity Description	Inherent risk status				Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel			
3	Financial Risk - Unexpected external costs	Unexpected external cost pressures which divert funding from the Programme and delays delivery	3	3	9	↔	Use of Unearmarked Reserves to address the risk of a delay in delivery of the Programme. Each month of delay could cost between £50,000 (at the start of the programme) to £320,000 (at the end) as a combined figure	New Senior Management Team
4	Technology Risk - Integrated ICT solution issues	Integrated ICT solution proves less successful than anticipated. Business continuity and connectivity in remote rural areas will be key to successful implementation	4	2	8	↔	<p>Develop effective working relationships with core technology supplier to enable partnership approach</p> <p>Set up appropriate project level controls to ensure effective governance and communication</p> <p>Develop/update business continuity plans</p> <p>Ensure solution design & implementation considers connectivity requirements/challenges</p>	Executive Directors; ICT Professional Lead
5	Management Risk - capacity to deliver	Management capacity to deliver the Programme	4	3	12	↑	<p>Programme identified as the key corporate priority</p> <p>Commission external support as required to ensure the Programme is delivered in line with the timetable</p> <p>Fund appropriate transition arrangements</p>	Executive Directors

No	Risk Title	Risk/Opportunity Description	Inherent risk status				Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel			
6	Management Risk - Maintaining shared vision	Maintaining the shared vision for the Programme during a period of significant changes	4	4	12	↑	Effective communication strategy to engage with members, staff and other stakeholders embedded within the Programme. Corporate agreement to appropriate handover period to maintain the programme and its aims and objectives	Executive Directors, Senior Members & New Management Team
7	Management Risk - Organisational transition	Managing organisational transition to the new operating model, in particular reduction in customer satisfaction and/or drop in service standards	4	2	8	↔	Decision taken in 2013 to implement T18 Programme. Transition Plan for each phase to document and create sufficient organisational capacity to achieve Programme timeframes Managing ongoing individual service performance	Executive Directors Group Managers
8	Management Risk - Effective and robust programme management	Establishing an effective and robust programme management arrangement given the complexity of the Programme	4	2	8	↔	Establish appropriate member and officer Programme governance arrangements Ensure key milestones and programme interdependencies identified	Executive Directors & New Management Team
9	Management Risk - Inappropriate existing management skill sets	Inappropriate existing management skill sets across the organisations in relation to the new model	4	3	12	↔	Establish appropriate selection process to the model. Training will take place in relation to the new performance management framework	Executive Directors;

No	Risk Title	Risk/Opportunity Description	Inherent risk status				Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel			
10	Management Risk - Loss of key staff	Loss of key staff during implementation of the Programme	4	4	16	↑	<p>Establish effective working arrangements to facilitate knowledge transfer across team members including appropriate handover periods.</p> <p>Ensure detailed transition plan is developed which includes knowledge transfer plan</p>	Executive Directors & New Management Team;
11	Political commitment	On-going political commitment to ensure that the Programme is delivered in the context of major external change and the inevitable challenges that will emerge during a major programme	4	2	8	↔	<p>Ongoing liaison with Members to maintain shared vision</p> <p>Ensure that the new model delivers and retains separate Council identities</p> <p>Raise awareness of the scale of organisational change and the impact on existing arrangements for both Members and Staff</p> <p>Managing interest from potential partners in terms of securing critical project timescales and taking account of organisational capacity</p>	Executive Directors

No	Risk Title	Risk/Opportunity Description	Inherent risk status				Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel			
12	Political Risk - national and local elections 2015	Potential impact of national/local elections in 2015	3	2	6	↔	<p>Monitor national direction of travel and focus on the flexibility of the model in relation to any local government changes affecting both future governance and funding availability</p> <p>Ongoing engagement with Members focusing on the benefits of the Programme, particularly improved customer interaction, rather than solely a response to budget reductions</p>	Executive Directors
13	Staffing Risk - Officer capacity and staff morale	Officer capacity and retention of staff morale during significant change	4	3	12	↔	<p>Effective communication strategy embedded as part of the Programme</p> <p>Maintain the pace of the change to ensure that key staff are not lost from the organisations</p>	Executive Directors;
14	Staffing Risk - Major cultural change	Securing successful implementation of major cultural change in relation to the development of skills and approaches to working arrangements within the new operating model	4	2	8	↔	<p>Support cultural change with a comprehensive corporate training and development programme and develop recruitment, induction, appraisal and performance management frameworks</p> <p>Communication strategy embedded as a key element of the Programme</p> <p>Procure external skills to respond to expertise or capacity gap - T18 budgets include external assistance for the Programme</p> <p>Ensure new systems and processes are resilient and sustainable</p>	Executive Directors;

No	Risk Title	Risk/Opportunity Description	Inherent risk status				Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel			
15	Staffing Risk - Potential Union/Staff responses	Potential Union/staff response to elements of the Programme	4	2	8	↔	<p>Ongoing engagement with key staff stakeholder groups and develop corporate understanding of those issues which are essential to successful implementation of the Programme and therefore the organisations must be subject to change</p> <p>Communicate potential staff benefits within the model such as developing skills and achieving better work/life balance through agile working</p>	Executive Directors; & New Management Team
16	Asset Risk - accommodation costs and rental receipts drop	Anticipated costs of accommodation changes increase and rental receipts from additional letting of HQs not achieved in current economic climate	4	2	8	↔	<p>Cautious rental assumptions within the business plan</p> <p>Ongoing monitoring of the business plan assumptions and adjustments of marketing strategies accordingly</p>	Executive Directors; & New Management Team

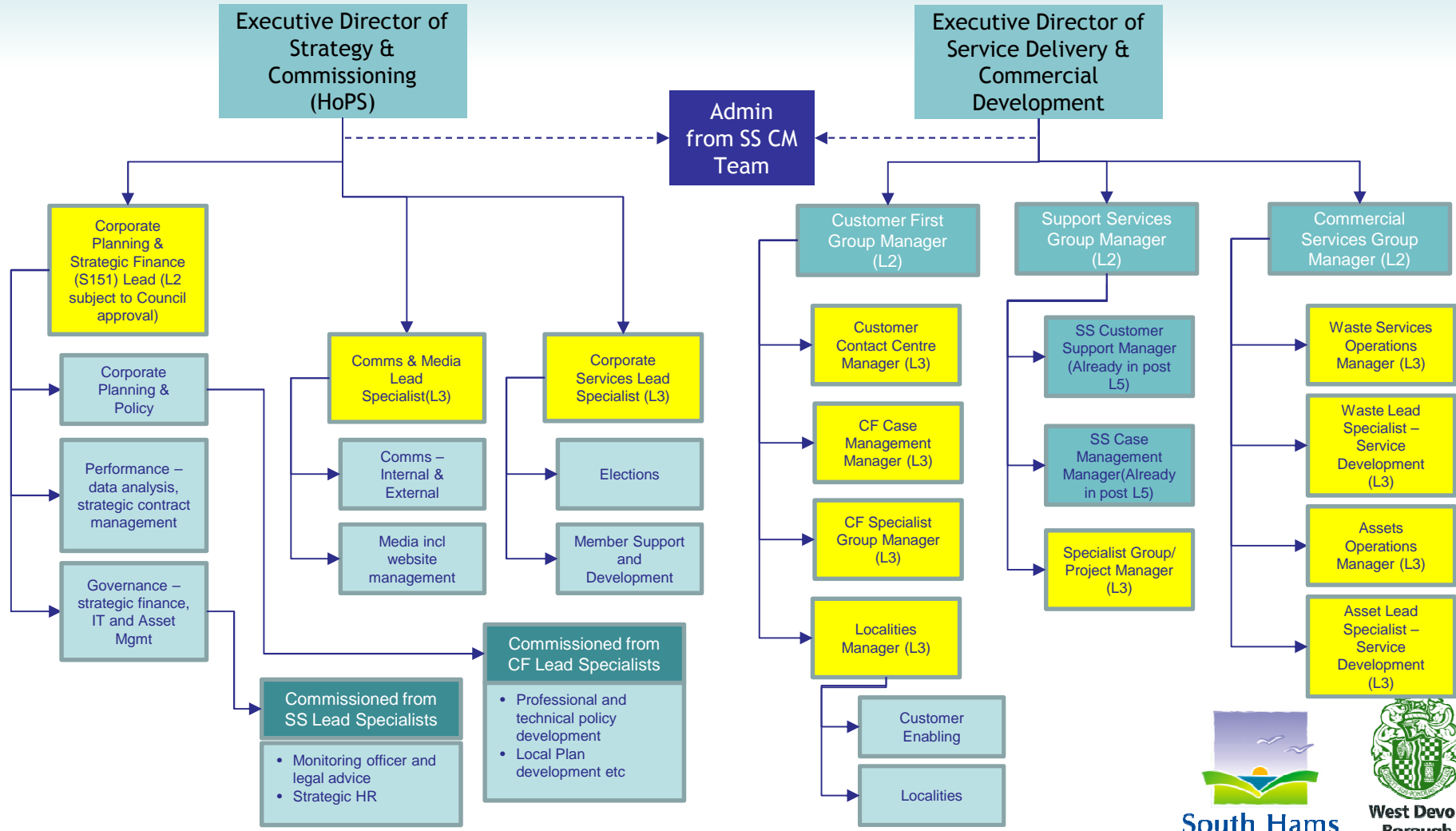
No	Risk Title	Risk/Opportunity Description	Inherent risk status				Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel			
17	Customer/Community Risk - Potential of greater exclusion for some customers	Although improved access to services through technology is a benefit for many, there is a risk of greater exclusion for some customers	4	2	8	↔	<p>Promote digital by choice rather than digital by default</p> <p>Roll out of rural broadband & enhanced mobile connectivity will reduce risk of digital exclusion</p> <p>Monitor levels of use of each access channel in tandem with customer satisfaction as part of monitoring Programme success measures</p> <p>Supporting vulnerable customers and those unwilling to use technology forms a key part of the operating model</p>	Executive Directors and work stream leads
18	Customer/Community Risk - Disruption/reduction in service levels	Scale of organisational change results in disruption/reduction in service levels and loss of support/confidence in the Programme	5	2	10	↔	<p>Transition Plan will form part of the Programme Plan</p> <p>Monitor service delivery and provide short term injections of capacity to ensure service performance maintained, particularly during transition</p> <p>Ensure appropriate handover periods</p>	Executive Directors; & New Management Team
19	Customer/Community Risk - Operating Model	Operating Model and technology not working as anticipated and creating customer/community dissatisfaction	5	2	10	↔	<p>Test the approach/technology before introducing to the customer/community</p>	Executive Directors; New Management Team and work stream leads

No	Risk Title	Risk/Opportunity Description	Inherent risk status				Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel			
20	Senior Management Team (SMT) Restructure	Appointment process fails to deliver senior management capability needed to ensure success of the T18 model	5	4	20	↑	To design sufficient capacity into the senior management structure under review and evaluate at the end of years 1 and 2	Members and New Management Team
21	Senior Management Team Restructure - open competition	The decision to restructure the team using open competition has been made and the arguments for it well established	4	3	12	↔	Ensure that appropriate transition plan is in place to deal with changes to the Senior Management Team	Executive Directors; & New Management Team
22	Capacity to deliver	Overall capacity to deliver significant change in the timescales expected 1b timescales in particular are demanding considering the extent of change and the level of appropriately skilled resource available	4	4	16	↔	Detailed capacity planning, work prioritisation and phased delivery with a revised contingency built in to the updated business case	Executive Directors and work stream leads
23	Programme Definition Precision	Some areas of the programme lack sufficiently detailed scope definition and this leads to delivery omissions	4	3	12	↔	Ensure all project definitions in place and approved by appropriate stakeholders	Executive Directors and work stream leads

APPENDIX A

High Level Organisational Design

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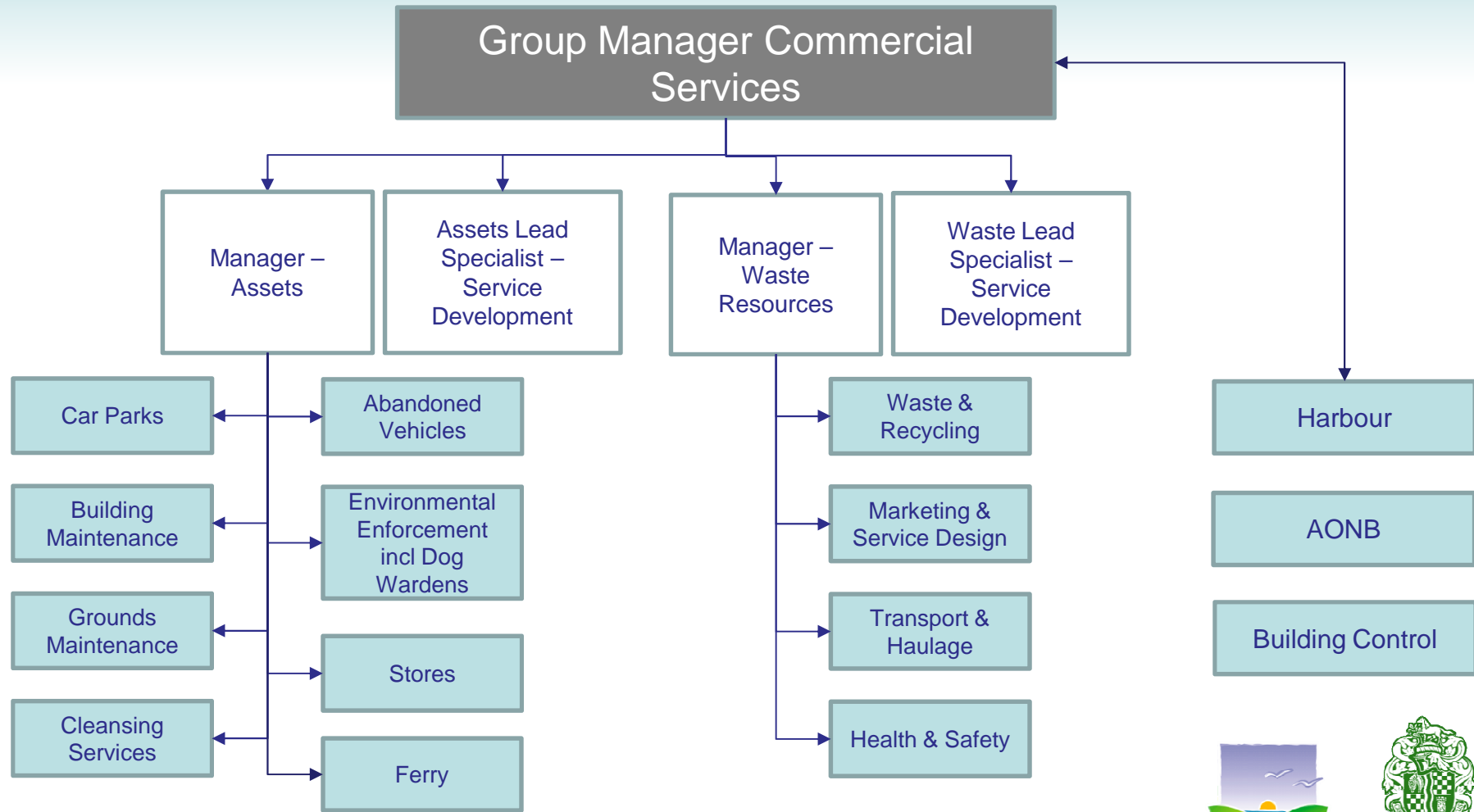
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APPENDIX B

Commercial Services – high level design



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Working together



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	One-off Capital Investment Costs	One-off Revenue Investment Costs	Annual recurring revenue Costs	Annual recurring revenue Savings	Phasing of Savings and Costs					
					2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Capital One-Off Investment Costs										
<u>ICT</u>										
ICT Contract cost	708,000				340,000	368,000				
Workstation and Infrastructure cost	276,000				181,000	95,000				
<u>Implementation</u>										
Implementation of the Future Model	175,000				175,000					
<u>Accommodation</u>										
Capital Costs	450,000				370,000	80,000				
Revenue One-Off Investment Costs										
<u>Contribution to Strategic Change Earmarked Reserve</u>										
Contribution to Strategic Change Earmarked Reserve (see 4.8 of the report)		2,702,000			550,000	1,372,000	219,000	285,000	210,000	
<u>Training costs</u>										
Staff Training		128,000			32,000	96,000				
<u>Contingency</u>										
Contingency (5%)		175,000			75,000	100,000				
Revenue recurring costs										
<u>Accommodation</u>										
Costs of remodelling for tenants			10,000			10,000	10,000	10,000	10,000	10,000
Revenue recurring annual savings										
<u>Staff</u>										
Staff savings (30% saving of current staff levels)				-2,465,000	-290,000	-1,375,000	-2,464,000	-2,464,000	-2,464,000	-2,464,000
Travel and other savings				-128,000		-50,000	-80,000	-128,000	-128,000	-128,000
<u>Delivery Unit</u>										
Delivery Unit saving (see 4.6 of the report)				-305,000		-305,000	-305,000	-305,000	-305,000	-305,000
<u>IT</u>										
Reduced annual software costs				-47,000		-47,000	-47,000	-47,000	-47,000	-47,000
<u>Accommodation</u>										
Rationalisation of the two councils' headquarters - reduced running costs at Follaton				-130,000		-60,000	-100,000	-130,000	-130,000	-130,000
Leasing of workstations - payment from West Devon				-90,000		-70,000	-90,000	-90,000	-90,000	-90,000
Additional new income from letting surplus accommodation				-215,000		-53,000	-106,000	-159,000	-215,000	-215,000
Total Costs / (Savings)	1,609,000	3,005,000	10,000	-3,380,000	1,433,000	161,000	-2,963,000	-3,028,000	-3,159,000	-3,369,000
	(A)	(B)	(C)	(D)						
Total One Off Investment Costs (Capital + Revenue) = (A) + (B)		4,614,000								
Total Net annual revenue savings = (C) + (D)				-3,370,000						

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APPENDIX D – INVESTMENT AND FINANCING STRATEGY

1.1 As shown in Appendix C, an initial net cashflow requirement of £1,433,000 is required in 2014/15 and a further £161,000 is required in 2015/16. Therefore an Investment and Financing Strategy for £1,594,000 is required before 2016/17. At this point (2016/17), the savings materialise in full and the Council is in a position of having a net surplus of £2,963,000 to put towards its budget gap.

1.2 It is recommended to finance the net cashflow requirement in accordance with the Investment and Financing Strategy below:

WDBC – To be financed by:-	Net cashflow requirement (£)
T18 Earmarked Reserve – Balance as per the Council’s Balance Sheet as at 31 st March 2014 (This Earmarked Reserve was set up when the original business case was approved on 31 October 2013)	935,000
Transformation Challenge Award funding (see 4.3 of the main report)	434,000
Strategic Issues Reserve (current balance of £306,000)	225,000
	1,594,000

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1.3 For accounting purposes, it is recommended that the £225,000 from the Strategic Issues Reserve is transferred into the Earmarked Reserve for T18.

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SOUTH HAMS DISTRICT COUNCIL
T18 TRANSFORMATION PROJECT - EXPENDITURE TO DATE (MONITORED AGAINST THE ORIGINAL INVESTMENT BUDGET OF £2.95 MILLION FROM THE BUSINESS CASE OCTOBER 2013)
BUDGET MONITORING, to 24th November 2014

Note - All Figures shown are cumulative

Budget Description	Lead Officer	GL Code	SHDC Budget /Spend to date	2013 - 2014		2014 - 2015				2015 - 2016				Financial Years 16/17 to 18/19		
				Qtr 3 Oct - Dec 2013	Qtr 4 Jan - Mar 2014	Qtr 1 Apr - Jun 2014	Qtr 2 Jul - Sep 2014	Qtr 3 Oct - Dec 2014	Qtr 4 Jan - Mar 2015	Qtr 1 Apr - Jun 2015	Qtr 2 Jul - Sep 2015	Qtr 3 Oct - Dec 2015	Qtr 4 Jan - Mar 2016	2016/17	2017/18	2018/19
1. T18 ICT Software, Implementation & Workstream Development	Mike Ward	3755 / 3760														
Budget			705,000	0	0	163,913	222,075	280,238	338,400	396,563	520,290	578,453	705,000	705,000	705,000	705,000
Actual Spend To Date			243,955	0	0	63,500	107,063	243,955	243,955	243,955	243,955	243,955	243,955	243,955	243,955	243,955
Variance Over/(Under)			(461,046)	0	0	(100,413)	(115,012)	(36,283)	(94,446)	(152,608)	(276,336)	(334,498)	(461,046)	(461,046)	(461,046)	(461,046)
2. T18 ICT Workstation Costs & Infrastructure	Mike Ward	3765 / 3770														
Budget			211,200	0	13,440	54,208	106,944	115,840	138,624	161,664	192,704	201,600	211,200	211,200	211,200	211,200
Actual Spend To Date			69,545	0	18,090	32,976	50,697	69,545	69,545	69,545	69,545	69,545	69,545	69,545	69,545	69,545
Variance Over/(Under)			(141,655)	0	4,650	(21,232)	(56,247)	(46,295)	(69,079)	(92,119)	(123,159)	(132,055)	(141,655)	(141,655)	(141,655)	(141,655)
3. T18 Workstation Costs - Furniture	Kate Cassar	3765														
Budget			64,000	0	0	16,448	32,384	35,072	41,984	48,960	58,368	61,120	64,000	64,000	64,000	64,000
Actual Spend To Date			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Variance Over/(Under)			(64,000)	0	0	(16,448)	(32,384)	(35,072)	(41,984)	(48,960)	(58,368)	(61,120)	(64,000)	(64,000)	(64,000)	(64,000)
4. T18 Training	Jan Montague	3775														
Budget			128,000	0	0	0	44,800	64,000	118,400	128,000	128,000	128,000	128,000	128,000	128,000	128,000
Actual Spend To Date			891	0	0	269	973	891	891	891	891	891	891	891	891	891
Variance Over/(Under)			(127,109)	0	0	269	(43,827)	(63,109)	(117,509)	(127,109)	(127,109)	(127,109)	(127,109)	(127,109)	(127,109)	(127,109)
5. T18 Accommodation	Kate Cassar	3780														
Budget			450,000	0	4,510	12,710	20,910	111,110	385,810	443,210	451,000	451,000	451,000	451,000	451,000	451,000
Actual Spend To Date			40,524	0	15,364	63,272	32,627	40,524	40,524	40,524	40,524	40,524	40,524	40,524	40,524	40,524
Variance Over/(Under)			(409,476)	0	10,854	50,562	11,717	(70,586)	(345,286)	(402,686)	(531,264)	(410,476)	(410,476)	(410,476)	(410,476)	(410,476)
6. T18 Implementation of future model	Tracy Winsler	3785														
Budget			175,000	0	0	0	140,330	160,330	170,330	175,000	175,000	175,000	175,000	175,000	175,000	175,000
Actual Spend To Date			41,268	0	0	0	0	41,268	41,268	41,268	41,268	41,268	41,268	41,268	41,268	41,268
Variance Over/(Under)			(133,733)	0	0	0	(140,330)	(119,063)	(129,063)	(133,733)	(133,733)	(133,733)	(133,733)	(133,733)	(133,733)	(133,733)
7. Contribution to Strategic Change Earmarked Reserve	Jan Montague/ Lisa Buckle	3790														
Budget			1,222,400	0	0	0	266,880	266,880	266,880	711,680	711,680	711,680	928,000	1,036,800	1,145,600	1,222,400
Actual Spend To Date			339,047	0	0	0	317,111	339,047	339,047	339,047	339,047	339,047	339,047	339,047	339,047	339,047
Variance Over/(Under)			(883,353)	0	0	0	50,231	72,167	72,167	(372,633)	(372,633)	(372,633)	(588,953)	(697,753)	(806,553)	(883,353)
Total Budget (as per the Original Business Case Oct 2013)			2,955,600	0	17,950	247,279	834,323	1,033,470	1,460,428	2,065,077	2,237,042	2,306,853	2,662,200	2,771,000	2,879,800	2,956,600
Total Actual Spend			735,228	0	33,453	160,017	508,471	735,228	735,228	735,228	735,228	735,228	735,228	735,228	735,228	735,228
Total Variance			(2,220,372)	0	15,503	(87,261)	(325,852)	(298,242)	(725,200)	(1,329,848)	(1,622,601)	(1,571,624)	(1,926,972)	(2,035,772)	(2,144,572)	(2,221,372)

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AGENDA
ITEM

9

SOUTH HAMS DISTRICT COUNCIL

AGENDA
ITEM

9

NAME OF COMMITTEE	Executive
DATE	11 December 2014
REPORT TITLE	Revenue Budget Proposals 2015/16
Report of	Finance Community of Practice Lead (Section 151 Officer)
WARDS AFFECTED	All

Summary of report:

1. To update Members on the revenue budget position for 2015/16 and provide a framework for consultation with the Scrutiny Panel Groups. The report and consultation process will help the Executive identify priorities, prepare the revenue budget and maximise the use of resources.

2. To provide an updated forecast of the financial situation for the four-year period to 2018/19. The forecast is intended to provide a framework within which decisions can be made regarding future service provision and council tax levels.

Financial implications:

The report sets out an anticipated budget gap for 2015/16 of £381,000 (Appendix A).

The budget gap must be reduced to zero in order to set a balanced budget in each financial year. This reports sets out the strategy and options available to close the budget gap.

RECOMMENDATIONS:

That Executive resolves that:

The views of the Scrutiny Panel Groups on the budget issues contained within this report are requested

Officer contacts:

Lisa Buckle, Finance Community of Practice Lead
lisa.buckle@swdevon.gov.uk

1. BACKGROUND

1.1 At its meeting on 11 September 2014, the Executive resolved that Council be recommended to consider the following 'minded to' views in order to guide the 2015/16 budget process:

1. In light of the projected T18 savings, Members are 'minded to' not increase Council Tax for 2015-16 at this stage
2. New Homes Bonus should be used to support the Revenue Budget for 2015-16 unless other ways to support the budget arise in the meantime;
3. A 10% reduction in Council Tax Support Grant be passed on to town and parish councils as shown in Appendix D of the presented report; and
4. Other budget savings were to be looked for and considered.

1.2 The Senior Management Team (SMT) has been focusing on implementing the Transformation Programme (T18) to generate significant savings for the Council.

1.3 The following table illustrates the funding position from 2015/16 onwards for the District Council as shown in Appendix A:

	2015/16 £	2016/17 £	2017/18 £	2018/19 £
Annual gap/(surplus)	381,000	(1,754,000)	460,000	115,000
Annual gap/(surplus) as % of net expenditure Budget of £9.028 million	4.2%	(19.4%)	5.1%	1.3%
TOTAL BUDGET SURPLUS OVER THE FOUR YEARS TO 18/19				798,000

- 1.4 Whilst there remains a great deal of uncertainty about various elements of income and expenditure, we have based the forecast that follows on a set of assumptions which represent a cautious estimate in order to focus attention on the revised scale of the funding gap. The figures will be revised as we progress through the financial year.

2. ASSUMPTIONS FOR FINANCIAL MODELLING PURPOSE

- 2.1 There is predicted to be a 27% reduction in government funding over the four years from 2014/15 to 2018/19 (see Appendix A). The Appendix is consistent with figures that have been provided through the Finance Settlement for 2015/16 and the modelling available regarding Localisation of Business Rates from data we have supplied to the Government on Business Rates returns.
- 2.2 A two year pay award, covering the financial years 2014/15 and 2015/16 has recently been agreed. The main part of what is a complex settlement comes into effect on 1 January 2015. The initial indications are that it will add around 2.2% to our pay bill.
- 2.3 Inflation will run at 2% over the period.
- 2.4 The interest return for our investments will average 0.9 % for 2015/16 rising to 2.5% in 2018/19.
- 2.5 No assumptions have been built into the financial modelling for council tax increases for 2015/16 onwards. Therefore the financial modelling in Appendix A assumes a Band D council tax of £145.42 (the current Band D council tax for 2014/15).
- 2.6 The Council is addressing budget under-performances on car parking income through a realignment exercise over a period of time – to align the income targets with actual income received. Income from car parking has been reduced by £50,000 in 2015/16, based on trends over the last three years.
- 2.7 The Dartmouth Lower Ferry has not regained all of its customer base following its closure for essential slipway maintenance. Current projections indicate that income for the 2014/15 financial year could be more than £150,000 under budget. It is suggested that in a similar way to the approach used for car parking that the budget is reduced by £50,000 per annum over a three year period.
- 2.8 The Strategic Waste Review actions for the South Hams Collection Service have been agreed. The major procurement for the sale of dry recycling materials is under way currently. Subject to market prices for recycling materials, the saving for the waste review in 14/15 will be £110,000 (Budgeted 14/15 saving was £140,000). Interim materials sales solutions have already increased income during this financial year. There is a reduction in the original saving estimated

due to the decision made to delay property day changes until the autumn of 2015 when we will have our new fleet in place and the support officer capacity to deliver this customer change effectively and efficiently.

- 2.9 Members will appreciate that capital spending has an impact on revenue. As part of the Medium Term Financial Strategy it will be necessary to review the level and phasing of schemes within the Capital Programme. A detailed three year Capital Strategy and Capital Programme is the subject of a separate report on this agenda.

3 TRANSFORMATION PROGRAMME 2018 (T18)

- 3.1 An updated business case for the T18 Programme forms part of a separate item on this agenda.

4 OPTIONS TO MEET THE BUDGET GAP FOR 2015/16

- 4.1 The budget gap based on the assumptions above, is predicted to be £381,000 for 2015/16, Appendix A provides the details.
- 4.2 This budget gap reflects the position without taking into account any T18 savings in 2015/16 as these savings are primarily needed to pay for the investment costs incurred in this year.

Income from Council Tax

- 4.3 Council agreed to raise council tax by 1.9% from 1 April 2014 to £145.42 for a Band D property for South Hams District Council. This amounted to a £2.71 increase on an average Band D property over a year equivalent to 5p a week. A 1% increase in Council Tax generates an extra £53,000 in extra income per annum.
- 4.4 **Council Tax Referendum limit** - The Localism Act introduced the power for the Secretary of State to set principles each year under which council tax increases are determined as excessive. The Minister announced that the council tax referendum threshold for 2014/15 remained unchanged from 2013/14 at 2% and did not apply to Towns and Parishes. No notification has been received on the limit for 2015/16.

Council Tax Freeze Grant

4.5 On 15 January 2014 the Government issued the guidance for the Council Tax Freeze Grant Scheme for 2014-15. It is assumed that many of these key aspects which applied in 2014-15 will also apply in 2015-16. Namely that:-

(i) It was voluntary and that any authority which freezes or reduces their basic amount of council tax will be eligible to receive the grant (equivalent to a 1% of the basic amount of council tax – this is around £56,000 for South Hams – this is an estimated provisional figure)

(ii) Ministers have agreed that the funding for the 2015-16 freeze grant should be built into the spending review baseline. This gives as much certainty as possible at this stage that the extra funding for freezing council tax will remain available.

Council Tax Support Grant

4.6 It is considered appropriate that the Council Tax Support Grant to Town and Parish Councils should reduce in line with the reduction that the District Council is experiencing with its Settlement Funding Assessment (SFA). It is estimated that the Council's SFA will decrease by around 10% in 2015-16 (see Appendix A). At its meeting on 2 October 2014 Council agreed that this reduction should be passed on to the Towns and Parishes and their Council Tax Support Grant should be reduced by a similar amount. The District Council approved a grant distribution of £125,369 for 2014-15. Therefore, a reduction in the grant allocation of 10% will decrease the budget gap by approximately £13,000. Appendix C illustrates the effect of this on an individual Parish basis.

Review of charges

4.7 On 13 November 2013, the Economy and Environment Scrutiny Panel considered a report on the review of fees and charges for 2015-2016. The Panel recommended that charges would be frozen with the exception of those for licensing which would generate an addition £1,000.

New Homes Bonus

4.8 New Homes Bonus amounting to approximately £564,000 is currently used to support the revenue budget. It is suggested that the use of New Home Bonus in this way continues in 2015/16 in order to close the Budget Gap with a view to reversing this amount out in 2016/17 out when the savings from T18 materialise in full. The next section provides more information about the allocations of New Homes Bonus that the Council has received to date.

5 NEW HOMES BONUS

5.1 This grant was introduced in 2011/12 and provides incentives for local authorities and local communities to be supportive of housing growth. It is not ring fenced and can be spent on anything.

5.2 On 29 November 2012, the Community Life & Housing Scrutiny Panel considered a report on the New Homes Bonus Strategy. It was resolved (CLH. 27/12) that the New Homes Bonus funding for 2013/14 is used to support the following categories:

- To finance housing capital projects
- Community re-investment projects (please see separate agenda item)
- Funding for the revenue base budget
- Community grants and projects
- To provide funding for the overall Capital Programme
- To make a provision for a share of the New Homes Bonus for the Dartmoor National Park when appropriate

5.3 Members have approved the following use of the New Homes Bonus to date:

Year	2011/12 £	2012/13 £	2013/14 £	2014/15 £
Grant received	297,567	826,317	1,026,018	1,365,325
Use of New Homes Bonus (£)				
Housing Capital Projects		300,000	460,000	460,000
Community Reinvestment Projects			153,900	153,900
Revenue Base Budget	100,000	100,000	100,000	564,043
Community Grants (CAB Outreach worker)			10,000	10,000
Funding for the overall capital programme	197,567	419,567		
Dartmoor National Park		6,750		17,277
Transferred to the Capital Programme Reserve			302,118	160,105
TOTAL	297,567	826,317	1,026,018	1,365,325

5.4 An estimate of New Homes Bonus for the next four years is shown below:

NHB Forecast (£)	2014/15 £	2015/16 £	2016/17 £	2017/18 £	2018/19 £
2011/12 actual allocation	297,567	297,567	297,567	-	-
2012/13 actual allocation	528,750	528,750	528,750	528,750	-
2013/14 actual allocation	199,701	199,701	199,701	199,701	199,701
2014/15 actual allocation	339,307	339,307	339,307	339,307	339,307
2015/16 forecast allocation		249,760	249,760	249,760	249,760
2016/17 forecast allocation			249,760	249,760	249,760
2017/18 forecast allocation				249,760	249,760
2018/19 forecast allocation					249,760
TOTAL	1,365,325	1,615,085	1,864,845	1,817,038	1,538,048
The table below shows the possible ways in which NHB could be used in future years for modelling purposes only:-					
To fund Housing Capital Projects	460,000	460,000	460,000	460,000	460,000
To fund Community Re-investment	153,900	153,900	153,900	153,900	153,900
CAB Outreach Worker	10,000	10,000	10,000	10,000	10,000
To fund the Revenue Budget	564,043	564,043	Nil?	?	?
Dartmoor National Park	17,277	4,939 (TBA)	TBA	TBA	TBA
Capital Programme Reserve	160,105				
Balance remaining (uncommitted)	Nil	422,203	1,240,945	1,193,138	914,148

6 OTHER BUDGET CONSIDERATIONS

Discretionary Budget Bid - Citizens Advice Bureau (Outreach Project)

- 6.1 Members approved a "non-recurring" bid for £10,000 for additional funding for the CAB Outreach Project which provides a weekly advice service in Dartmouth, Ivybridge and Kingsbridge. Much of the advice covers housing, benefits and debt issues and is managed in liaison with the Council's Community Team. **Members are requested to consider if they wish to renew this arrangement for 2015/16.**

7. RESERVES

Earmarked Reserves

- 7.1 The level and commitments for each reserve are kept under review each year to make sure the uncommitted balance is adequate for its purpose. The Earmarked Reserves are reviewed as part of the "budget scouring" exercise each year – this exercise is in progress at the moment. A schedule of Earmarked Reserves is attached at Appendix C.

General Fund Balance (un-earmarked revenue reserve)

- 7.2 Previous guidance from the Audit Commission suggested that the General Fund Balance should be between 5% and 10% of net operating expenditure. The Council's net operating expenditure is £9.027 million for 2014/15; so an appropriate balance would be in the region of £451,000 to £903,000.
- 7.3 The General Fund Balance stood at £1.707 million at 31st March 2014. It is predicted to be £1.664 million at 31 March 2015 (Appendix G). Therefore, the Council is still within a prudent level of reserves. The Council's policy is that the General fund Balance should be maintained at a minimum level of £1.5 million.
- 7.4 Our financial strategy recognises the need to maintain un-earmarked revenue reserves to provide stability for both medium and longer term planning and to provide a contingency against unforeseen events. In setting the minimum level at £1.5 million the following have been taken into account:
- The size of the authority
 - The volatility of some income and expenditure budgets due to a dependency on the weather, tourism and state of the economy
 - The risks faced by the Council with regard to funding unforeseen events

- The level of investment income used to support council tax arising from our reserves
- Uncertainty over future Government funding

7.5 The Council can take comfort that our General Fund Balance stands above the minimum balance. It acts as a safeguard against unforeseen financial pressures.

8. CAPITAL PROGRAMME

8.1 As part of the Medium Term Financial Strategy (MTFS), it is also necessary to review the level and phasing of schemes within the Capital Programme. It is important that the programme is matched with available resources and the impact on reserves and the revenue budget is fully assessed.

8.2 A proposed three year Capital Strategy and Capital Programme is the subject of another report on this agenda.

8.3 Consideration needs to be given to the funding options for the 2015/16 Capital Programme. The Capital Programme is set by the Council and may be funded by sale proceeds from the disposal of assets (capital receipts), external grants and contributions, directly from revenue or from borrowing.

9. LEGAL IMPLICATIONS

9.1 The Executive is responsible for recommending to Council the budgetary framework. In accordance with the Financial Procedure Rules, Council must decide the general level of Reserves and the use of Earmarked Reserves.

9.2 The preparation of this MTFS is evidence that the Council has considered and taken into account all relevant information and proper advice when determining its financial arrangements in accordance with statutory requirements, and in particular, that it will set a lawful budget.

10. FINANCIAL IMPLICATIONS

10.1 The financial implications are as set out within the Council's Financial Strategy.

11. OTHER CONSIDERATIONS

Corporate priorities engaged:	A balanced budget underpins the Council's capacity to deliver its corporate priorities
Statutory powers:	Local Government Act 1972, Section 151
Considerations of equality and human rights:	A 360 degree assessment of the equality implications will be carried out on all budget proposals for future years and any issues raised will be considered.
Biodiversity considerations:	None directly related to this report.
Sustainability considerations:	None directly related to this report.
Crime and disorder implications:	None directly related to this report.
Background papers:	Report to Council on 13 February 2014 on 2014-15 Budget Report to Executive on 11 September 2014 on the MTFs 2015/16 – 2018/19 13 November 2014 - Report to Economy and Environment Scrutiny Panel on Review of Charges
Appendices attached:	Appendix A - Modelling of the Financial Strategy Appendix B - Budget Pressures and Savings Appendix C – Council Tax Support Grant to Town and Parish Councils for 2015/16 Appendix D - Revenue Summary Appendix E - Reserve Contributions Appendix F - Service Variations Appendix G - Schedule of Reserves

STRATEGIC RISKS TEMPLATE

No	Risk Title	Risk/Opportunity Description	Inherent risk status				Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel			
1	Robustness of medium term financial strategy and service blue-prints	<p>Not achieving financial savings as anticipated</p> <p>2015/16 will see a further significant reduction in formula funding</p> <p>External change to the national economic environment which may impact on our funding expectations.</p> <p>Implications of changes to the funding of local government through locally collected business rates and revenue support grant. Effect of the localisation of council tax.</p> <p>Achieving anticipated income targets in the current financial climate.</p>	4	4	16	↔	<p>Corporate engagement in the development of the medium term financial strategy.</p> <p>Service commitment to business planning processes.</p> <p>Robust horizon scanning to monitor changes in Government policy.</p> <p>The Council will continue to carry out modelling exercises to ascertain the effect of the new schemes on the Council's finances. Options for business rates pooling will be assessed.</p> <p>Monitoring of corporate income streams and revenue budgets.</p>	<p>Section 151 Officer</p> <p>Executive Director (TW)</p> <p>Executive Director (AR)</p> <p>Section 151 Officer</p> <p>Section 151 Officer</p>

No	Risk Title	Risk/Opportunity Description	Inherent risk status				Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel			
2	Funding of the future Capital Programme	Availability of capital resources and options of using funding streams, such as New Homes Bonus	4	4	16	↔	<p>Review of potential opportunities to support further capital programme.</p> <p>One of the objectives of the Strategic Asset Review is to identify opportunities for the disposal of assets and the generation of capital receipts.</p>	<p>Executive Directors, Section 151 Officer H of Assets</p> <p>Executive Directors, Section 151 Officer H of Assets</p>
3	Setting a lawful budget	Failure of the Council to set a lawful budget	5	1	5	↔	<p>The Budget is compiled in accordance with best practice guidelines issued by CIPFA and the Government. The final budget report includes an assessment from the Section 151 Officer on the adequacy of the Council's reserves and the robustness of the estimates made for the purpose the budget calculations.</p> <p>The budget process is laid down in the Council's Constitution. Executive and Council meetings are timetabled to meet the Statutory deadlines for setting the Council Tax.</p>	Section 151 Officer

No	Risk Title	Risk/Opportunity Description	Inherent risk status				Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel			
4	Income from business rates	Income from Business Rates Is subject to volatility both from business rating appeals and from the economic climate.	5	3	15	↔	The position will be monitored by the Section 151 Officer The quarterly Revenue Budget Monitoring reports will monitor Business Rates income against projections. Any variances will be highlighted to Members at an early stage.	Section 151 Officer
5	Corporate Priorities	Failure to target budgets to service priorities	5	1	5	↔	The budget is subjected to extensive consultation with all Members, the public and the business community. Adequate levels of appropriately trained staff. Monthly monitoring of performance to management, quarterly to the Executive.	Section 151 Officer

Direction of travel symbols ↓ ↑ ↔

	Base 2014/15 £ '000	Yr1 2015/16 £ '000	Yr2 2016/17 £ '000	Yr3 2017/18 £ '000	Yr4 2018/19 £ '000
Baseline Data					
Base budget brought forward	9,028	9,028	8,799	8,445	8,216
Reverse New Homes Bonus funding of the revenue budget of £564,043 (see 5.3)			564		
Income & Expenditure Variations					
Budget Pressures (Appendix B)		563	472	473	427
Budget Savings (Appendix B)		(412)	(3,044)	(142)	(230)
Reduction in Council Tax Support Grant for Town & Parish Councils		TBA			
Review of charges/ additional income (Appendix B)		1	(100)	(100)	(100)
Projected Expenditure:	9,028	9,180	6,691	8,676	8,313
FINANCING: -					
Government Grant (Settlement Funding Assessment - SFA)					
Business Rate Retention Income	1,717	1,976	2,026	2,089	2,167
Revenue Support Grant	1,979	1,366	973	652	527
Council Tax Freeze Grant		56	56	56	56
Council Tax income	5,272	5,301	5,330	5,359	5,388
Surplus on Collection Fund	60	100	60	60	60
Projected Income :	9,028	8,799	8,445	8,216	8,198
Budget gap per year (Projected Expenditure less Projected Income)	0	381	(1,754)	460	115

4 year cumulative budget surplus (798)

KEY ASSUMPTIONS	Base 2014/15	Yr1 2015/16	Yr2 2016/17	Yr3 2017/18	Yr4 2018/19
Inflation: General Expenditure		2.0%	2.0%	2.0%	2.0%
Review of fees & charges		TBA	2%	2%	2%
Interest rates		0.90%	1.50%	2.00%	2.50%
Pay Award		1%	1%	1%	1%
SFA	£ 3,696,000	£ 3,342,000	£ 2,999,000	£ 2,741,000	£ 2,694,000
Pension revaluation - increased employer contributions		0.0%	0.0%	1.0%	1.0%
Council Tax Base : assume increase of 200 properties per year for 2015/16 and thereafter	36,250.26	36,450.26	36,650.26	36,850.26	37,050.26
Assumed Council Tax increase					
Council Tax - Band D (£)	145.42	145.42	145.42	145.42	145.42

	Yr1 2015/16 £ '000	Yr2 2016/17 £ '000	Yr3 2017/18 £ '000	Yr4 2018/19 £ '000
BUDGET PRESSURES				
Inflation on expenditure	315	275	285	290
Car Parks - review of income target	50			
Dartmouth Ferry - review of income target	50	50	50	
Triennial Pension revaluation	5	7	100	100
Leisure contract - profiled increase	36			
Reversal of vacancy provision		100		
Reversal of Shared Services Target	55			
Council Tax Support Admin Grant - reduction	11	10	8	7
Housing Benefit Admin Grant - reduction	41	30	30	30
TOTAL BUDGET PRESSURES	563	472	473	427
DISCRETIONARY BID - Citizens Advice Bureau; Outreach Worker	10			
BUDGET SAVINGS				
Transformation Project (T18) - see separate report		-2,931	-65	-162
Strategic Waste Review (EE.16/13 & Council 30/13)	-150			
Leisure Contract - profiled reduction		-5		
Extra income on investments from a predicted rise in interest rates	-75	-108	-77	-68
Housing Benefits - increased recoveries	-25			
Additional income from planning applications	-50			
Reduction in inflation provision	-55			
Visit South Devon - termination of grant aid	-15			
Housing Rents - increased contribution towards running costs	-15			
Reduction in external audit fees	-12			
Employment Estates - additional income	-10			
Saving on new bank contract	-5			
TOTAL BUDGET SAVINGS	-412	-3,044	-142	-230
ADDITIONAL INCOME				
Review of charges	1	-100	-100	-100
	1	-100	-100	-100

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South Hams District Council				APPENDIX C
Council Tax Support Grant For Towns & Parishes				
Parish/Town	Council Tax Support Grant allocation for 2014/15	Illustrative Grant Reduction of 10.00%	Indicative Council Tax Support Grant allocation for 2015/16	
	£	£	£	
1 Ashprington	159	16	143	
2 Aveton Gifford	967	97	870	
3 Berry Pomeroy	725	73	652	
4 Bickleigh	3,706	371	3,335	
5 Bigbury	270	27	243	
6 Blackawton	732	73	659	
7 Brixton	1,177	118	1,059	
8 Buckfastleigh West	119	12	107	
9 Buckland-Tout-Saints	68	7	61	
10 Charleton	243	24	219	
11 Chivelstone	134	13	121	
12 Churchstow	201	20	181	
13 Cornwood	1,066	107	959	
14 Cornworthy	101	10	91	
15 Dartington	1,613	161	1,452	
16 Dartmouth	11,467	1,147	10,320	
17 Dean Prior	183	18	165	
18 Diptford	156	16	140	
19 Dittisham	276	28	248	
20 East Allington	774	77	697	
21 East Portlemouth	221	22	199	
22 Ermington	647	65	582	
23 Frogmore & Sherford	529	53	476	
24 Halwell & Moreleigh	257	26	231	
25 Harberton	689	69	620	
26 Harford	27	3	24	
27 Holbeton	265	27	238	
28 Holne	214	21	193	
29 Ivybridge	27,353	2,735	24,618	
30 Kingsbridge	11,567	1,157	10,410	
31 Kingston	277	28	249	
32 Kingswear	1,071	107	964	
33 Littlehempston	137	14	123	
34 Loddiswell	1,338	134	1,204	
35 Malborough	1,030	103	927	
36 Marldon	935	94	841	
37 Modbury	1,729	173	1,556	
38 Newton & Noss	1,537	154	1,383	
39 North Huish	54	5	49	
40 Rattery	297	30	267	
41 Ringmore	100	10	90	
42 Salcombe	2,273	227	2,046	
43 Shaugh Prior	767	77	690	
44 Slapton	296	30	266	
45 South Brent	4,160	416	3,744	
46 South Huish	91	9	82	
47 South Milton	226	23	203	
48 South Pool	101	10	91	
49 Sparkwell	925	93	832	
50 Staverton	642	64	578	
51 Stoke Fleming	830	83	747	
52 Stoke Gabriel	863	86	777	
53 Stokenham	1,550	155	1,395	
54 Strete	465	47	418	
55 Thurlestone	509	51	458	
56 Totnes	33,732	3,373	30,359	
57 Ugborough	836	84	752	
58 Wembury	622	62	560	
59 West Alvington	292	29	263	
60 Woodleigh	12	1	11	
61 Yealmpton	1,766	177	1,589	
	125,369	12,542	112,827	

If you have any queries on the information shown above, please contact Angela Endean on 01803 861480 or email angela.endean@southhams.gov.uk

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SUMMARY OF REVENUE EXPENDITURE

Estimate 2014/2015 (At outturn prices)		Estimate 2015/16 (at outturn prices)		
		Gross Expenditure	Income	Net Expenditure charged to General Fund
£	SERVICE EXPENDITURE ANALYSIS	£	£	£
883,400	Central Services	1,680,100	(786,100)	894,000
1,365,900	Corporate and Democratic Core	1,385,500	(36,600)	1,348,900
2,139,200	Cultural and Related Services	2,492,500	(313,300)	2,179,200
5,754,800	Environmental Services	7,976,800	(2,347,100)	5,629,700
(1,624,700)	Highways, Roads and Transport Services	2,359,300	(3,868,600)	(1,509,300)
1,019,000	Housing Services	22,960,900	(21,939,000)	1,021,900
372,400	Non Distributed Costs	380,400		380,400
1,082,800	Planning and Development services	3,637,100	(2,607,100)	1,030,000
	Provision for pay award (covers 2014/15 & 2015/16)	241,000		241,000
125,370	Council Tax Support Grant - payable to Town & Parish Councils	125,370		125,370
11,118,170		43,238,970	(31,897,800)	11,341,170
(100,000)	Vacancy provision	(100,000)		(100,000)
	Non recurring item funded from reserves:			
7,000	<i>Elector Fund</i>	7,000		7,000
10,000	<i>Discretionary Bid - CAB</i>	10,000		10,000
(55,100)	Shared Services Target			0
135,000	Inflation	80,000		80,000
11,115,070	NET COST OF SERVICES	43,235,970	(31,897,800)	11,338,170
	FINANCING AND INVESTMENT INCOME & EXPENDITURE			
(110,000)	Interest receivable (investment income)		(185,000)	(185,000)
23,400	Income and expenditure in relation to investment properties	85,500	(58,300)	27,200
	ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS			
(1,933,000)	Reversal of depreciation	(1,933,000)		(1,933,000)
(500,000)	Reversal of pension costs (IAS 19)	(500,000)		(500,000)
432,257	CONTRIBUTIONS TO/ (FROM) RESERVES	1,013,300	(581,043)	432,257
9,027,727	AMOUNT TO BE FUNDED FROM TAXATION AND NON-SPECIFIC GOVERNMENT GRANTS	41,901,770	(32,722,143)	9,179,627
	FINANCED BY:			
	Government Grant (Business rates & revenue support grant)			
(1,978,816)	-RSG		(1,366,000)	(1,366,000)
(1,717,398)	-Business Rates		(1,976,000)	(1,976,000)
	Council Tax Freeze Grant		(56,000)	(56,000)
(5,271,513)	Council Tax		(5,301,000)	(5,301,000)
(60,000)	Collection Fund Surplus		(100,000)	(100,000)
0	BALANCE - (SURPLUS)/DEFICIT	41,901,770	(41,521,143)	380,627
145.42	Band D Council Tax	145.42		
36,250.26	Council Tax Base	36,450.26		380,627

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ANALYSIS OF CONTRIBUTIONS TO/(FROM) EARMARKED RESERVES

Estimate 2014/15			Estimate 2015/16	
To £	(From) £		To £	(From) £
181,600		Capital Programme	181,600	
16,900		Community Parks & Open Spaces	16,900	
10,000		District Elections	10,000	
87,000		Ferry major repairs & renewals	87,000	
	(574,043)	New Homes Bonus		(574,043)
20,800		Pay & Display Equipment	20,800	
99,000		Pension Fund Strain Payments	99,000	
55,000		Repairs and maintenance	55,000	
	(7,000)	Strategic Issues		(7,000)
541,000		Vehicles & Plant Renewals	541,000	
2,000		Interest credited to reserves	2,000	
1,013,300	(581,043)	TOTALS	1,013,300	(581,043)
432,257		GRAND TOTAL	432,257	

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Central Services		
		£
Estimate 2014-15		883,400
Reduction in allocation of Council Tax Support Admin Grant		11,000
Net reduction in insurance premium		(400)
Estimate 2015-16		894,000
<i>Check Budget Summary</i>		<i>894,000</i>
		0
Corporate and Democratic Core		
Estimate 2014-15		1,365,900
Reduction in external audit fees		(12,000)
Reduction re new bank contract		(5,000)
Estimate 2015-16		1,348,900
<i>Check Budget Summary</i>		<i>1,348,900</i>
		0
Cultural and Related Services		
Estimate 2014-15		2,139,200
Leisure Contract - contract payment uplift including inflation		36,300
Visit South Devon - grant funding withdrawn		(15,000)
Other inflation		18,700
Estimate 2015-16		2,179,200
<i>Check Budget Summary</i>		<i>2,179,200</i>
		0
Environmental Services		
Estimate 2014-15		5,754,800
Inflation		25,900
Strategic Waste Review		(150,000)
Review of charges		(1,000)
Estimate 2015-16		5,629,700
<i>Check Budget Summary</i>		<i>5,629,700</i>
		0
Highways		

Estimate 2014-15		(1,624,700)
Car Parks - reduction in target income		50,000
Lower Ferry - reduction in target income		50,000
Inflation		15,400
Estimate 2015-16		(1,509,300)
<i>Check Budget Summary</i>		<i>(1,509,300)</i>
		0
Housing		
Estimate 2014-15		1,019,000
Reduction allocation of HB Admin Grant as advised by DWP		41,000
Additional Housing Benefit Recoveries etc.		(15,000)
Increased rent recovery		1,900
Estimate 2015-16		1,046,900
<i>Check Budget Summary</i>		<i>1,021,900</i>
		25,000
Non Distributed Costs		
Estimate 2014-15		372,400
Pension Revaluation -additional deficit payment		5,000
Inflation		3,000
		380,400
Estimate 2015-16		380,400
<i>Check Budget Summary</i>		0
Planning & Development		
Estimate 2014-15		1,082,800
Planning - additional income		(50,000)
Employment estates - additional income		(10,300)
Inflation		7,500
Estimate 2015-16		1,030,000
<i>Check Budget Summary</i>		<i>1,030,000</i>
		0

RESERVES - PROJECTED BALANCES (EXCLUDES SALCOMBE HARBOUR)					
			Opening balance	Projected Balance	
		Annual Contribution	1 April 2014	31 March 15	Comments
		£000	£000	£000	
EARMARKED RESERVES					
Code	Specific Reserves - General Fund				
0631	Capital Programme		977	282	Reduction due to capital commitments
0633	Revenue Grants		356	356	Comprises grants with no repayment conditions - created as a result of accounting changes introduced by IFRS.
0634	Rural Services Support Funding		37	37	Grant funding from DCLG
0635	Affordable Housing		102	102	
0638	Renovation Grant Reserve		37	37	Comprises proceeds from repayments
0639	New Homes Bonus		698	0	
0641	Business Rates Retention		1,023	0	Will be used to offset accounting deficit in Collection Fund
0645	Strategic Issues		379	306	
0650	Community Parks and Open Spaces		105	110	
0655	Community Well-being		44	0	Balance transferred to Economic Initiatives Reserve. Annual contribution ceased in 2014/15
0665	Repairs & Maintenance		343	265	
0667	Marine Infrastructure		-	19	Contribution from Salcombe Harbour Board
0670	Land and Development		196	127	Includes commitments for condition surveys and feasibility studies
0675	Ferry Repairs & Renewals		176	263	
0680	Economic Initiatives		112	141	
0685	Vehicles & Plant Renewals		1,236	1,007	Will be used for programmed vehicle replacements. Programme under review.
0690	Pay & Display Equipment Renewals		19	40	
0695	On-Street Parking		44	44	
0696	T18 Investment Reserve		935	0	A new reserve for T18 investment costs. Council Minute 34/13 refers
0700	Print Room Equipment		76	76	
0705	ICT Development		350	178	
0710	Sustainable Waste Management		72	0	
0720	District Elections		58	68	
0725	Beach Safety		17	14	
0730	Planning Policy & Major Devpts		671	487	Staffing and other commitments
0735	Building Control		187	172	
0740	Section 106 Deposits		37	37	
0830	Members Sustainable Community Locality		48	0	
Sub Total			8,335	4,168	
GENERAL RESERVES					
0765	General Fund Balance - Un-earmarked Revenue Reserves		1,707	1,664	
TOTAL REVENUE RESERVES			10,042	5,832	

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NOT FOR PUBLICATION

EXEMPT INFORMATION – By virtue of paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 – Information relating to the financial or business affairs of any particular person including the authority holding that information. Note that 'person' may include a corporate body.
(Applies to Appendices B, C & D)

AGENDA
ITEM
10

SOUTH HAMS DISTRICT COUNCIL

AGENDA
ITEM
10

NAME OF COMMITTEE	Executive
DATE	11 December 2014
REPORT TITLE	Capital Budget Proposals for 2015/16 – 2017/18
Report of	Head of Finance and Audit Head of Assets
WARDS AFFECTED	All

Summary of report:

To request the views of the Scrutiny Panel Groups on the Capital Programme Proposals of £2,875,000 for 2015/16.

Financial implications:

The Council has severely limited resources, in the form of capital receipts, to fund Capital Projects in 2015/16. The report sets out Capital Bids to the 2015/16 Capital Programme totalling £2,875,000 and a suggested way that these Bids can be funded. All items in this proposed Capital Programme are based on budget estimates and will be subject to the normal project appraisal, value for money and affordability tests (before commitment to finance) as set out in the Council's Asset Strategy.

RECOMMENDATIONS:

The Executive resolves:

- 1 That the views of the Scrutiny Panel Groups on the Capital Programme Proposals for 2015/16 are requested. The Capital Programme Proposals total £2,875,000, being £1,755,000 (bids set out in Appendix A) and £1,120,000 (further bids set out in Appendix C).
- 2 That the disposal of The Levels car park at Dittisham to Dittisham Parish Council be approved as set out in Appendix B, with other terms and conditions to be agreed by the Head of Assets
- 3 To recommended to Council (in December 2014) that the approval for the purchase of vehicle fleet is delegated to the Leader and Deputy Leader in consultation with the Head of Paid Service and Head of Environmental Services once the final evaluation of tenders has taken place, with consultation also taking place with the S151 Officer regarding the funding of the proposal (as per Section 2.6 of the report).

Officer contact:

Lisa Buckle, Head of Finance and Audit, lisa.buckle@swdevon.gov.uk

Kate Cassar, Head of Assets, kate.cassar@swdevon.gov.uk

1. BACKGROUND

- 1.1 The Council meeting on 13th February 2014 (50/13) approved the current capital programme for 2014/15.
- 1.2 A new Capital Programme is proposed for 2015/16. The Head of Finance invited bids for capital funding from all service areas, for a new capital programme during September 2014 on the strict proviso that all bids must go towards meeting a corporate priority. All property capital bids received would be ranked against a prescribed priority criteria set out in the bid process.
- 1.3 The submitted capital bids have now been assessed against the categories in each priority. Priority 1 categories include statutory obligations (e.g. Health and Safety, DDA etc) and other capital works required to ensure the existing Council's property assets remain open. Priority 2 categories link to good asset management whereby the capital work proposed would either generate capital/revenue income or reduce revenue spending. A capital bid that will enable rationalised service delivery or improvement is also considered a Priority 2 category to meet the Council's aims and objectives.
- 1.4 The programme outlines the principles of the projects proposed for capital expenditure and includes an estimate of predicted costs including fees. All projects will be subject to project appraisals as required under the Council's Asset Strategy.
- 1.5 The Strategic Assets Review (SAR) will provide a comprehensive review of each asset class and undertake a locality based assessment challenging the retention of each individual asset. Underperforming or surplus assets will be considered within the disposal programme. The overall outcome will be the creation of capital receipts and a reduction of property running costs to the Council. A disposals programme is attached at Appendix D.
- 1.6 Consideration needs to be given to the funding options for the 2015/16 Capital Programme. The Capital Programme is set by the Council and may be funded by sale proceeds from the disposal of assets (capital receipts), external grants and contributions, directly from revenue or from borrowing.
- 1.7 The Prudential Code for capital, which came into effect from 1st April 2004, replaced the previous Government regulated limits on capital expenditure and borrowing. In its place Councils now have the power to determine their own appropriate levels of capital expenditure and borrowing for capital purposes, based on the principles of affordability, prudence and sustainability.
- 1.8 The Code requires the Council, in setting its capital spending plans, to assess the impact on its revenue account and council tax levels. The Council is currently debt-free and has not undertaken any prudential borrowing for capital projects to date.

2 PROPOSED CAPITAL PROGRAMME FOR 2015/16

2.1 Appendix A sets out bids to the Capital Programme for 2015/16, totalling £1,755,000. There are further bids for strategic capital projects totalling a further £1,120,000 as set out in Appendices B and C.

2.2 Capital Investment in Existing Property Assets

2.2.1 Ivybridge Depot

The depot has seen a significant increase in vehicle numbers and traffic movements during recent years. Resurfacing of major traffic areas is now required including improvements to the sub base.

2.2.2 Follaton House

Roofing repairs are required on the Old House which includes the localised replacement of defective slate and lead valleys. Defective guttering on Phases 1, 2 and 3 also needs replacing.

2.2.3 Leisure Centres

The Council is moving towards the end of the Tone Leisure contract in December 2016. There are no specific projects requiring capital funding at this stage. A generic contingency sum (£150,000) for all 4 centres is being created to allow for any major repairs that may become essential to keep the centres operational until December 2016.

The Joint Strategic Leisure Group (Members and Officers) has received an options report from RPT Consulting indicating a potential requirement for capital investment in 2016/17 (either by the contractor or by the Council), subject to a full business case and an assessment of prudential borrowing, to reduce the overall revenue requirement. There will be a formal report to Council in February 2015 which will provide more detailed background.

2.2.4 Torr Stream, Rockdale Road, Yealmpton

There is a requirement to reprofile the stream at Rockdale Road. The existing stream channel is formed out of dry stone walling which has failed despite regular maintenance and re-building. It is in SHDC ownership but runs adjacent to private back gardens. The construction of a more robust stream channel would reduce annual maintenance costs and prevent claims from third parties in times of flood.

2.2.5 Coastal Asset Repairs

Historically maintenance of coastal assets has been on a reactive basis. At a time of ever increasing frequency and severity of storms, a rolling plan of maintenance is required to reduce the risk of asset failure. This would retain the current level of coast protection for all SHDC owned coastal protection assets, and those which are the responsibility of SHDC to maintain, irrelevant of ownership.

On 13 November 2014, the Economy and Environment Scrutiny Panel considered a report on managing coastal change and assets. An extract of the report is below:

SHDC owned Coastal Assets Review As has been reported previously SHDC owns over 130 assets along the coast and estuaries. These have been subject to ongoing management over the decades and more recently been subject to a comprehensive assessment of condition. The initial analysis reveals an estimated expenditure pressure as set out in the table below

Years	2015 -2019	2020 - 2024	2025 - 2029	2030 - 2034
Estimated Expenditure	£1.5m	£2.5m	£631,000	£941,000

On this basis, a five year planned programme for coastal repairs is proposed of £300,000 per annum, based on the marine survey.

2.2.6 Dartmouth Town Jetty

The landing pontoon for passengers arriving and departing the Town Jetty is made up of pontoons owned by both the Council and Dart Harbour Authority (DHA). All the pontoons are now 'end of life' and they are being replaced by DHA. The Council will have to reimburse DHA for the two pontoons in its ownership.

2.3 Affordable Housing

An annual contribution of £230,000 per annum is proposed for affordable housing.

2.4 Improvement Grants

All grants are mandatory, means tested and enable people to live independently within their own home. Adaptations range from simple stair lifts and Level Access Showers through to full extensions.

The Environmental Health service has secured an average saving of approximately 24% (£1,000) on each standard Level Access Shower, through the development, procurement and implementation of a framework agreement across Devon and Cornwall.

Although it is impossible to predict demand for grants, it is proposed to reduce the budget from £650,000 in 2014/15 to £600,000 for the next three years in view of the savings on unit cost.

The Council's Better Care allocation in the sum of £366,000 will support these grants, the remaining balance being funded from New Homes Bonus.

2.5 Contingency

It is proposed that an annual contingency budget of £300,000 be included in the capital programme. This has been included to allow for variations on tendered prices to the estimates provided in the programme, where emergency works are required on assets not currently included in the programme or where additional external resources are required to deliver the programme. Use of this contingency budget will be subject to the Council's existing processes for the expenditure of capital funds.

2.6 Vehicle replacement

A report was presented the Economy & Environment Scrutiny panel which considered the tendering options for the Council's vehicle fleet and recommended the proposed tendering process for securing the new fleet on 4th September 2014. This was approved by Executive on 11th September 2014. The procurement process is underway and tenders are currently being evaluated to achieve best value for the Council in terms of the vehicle purchases.

It is important that the vehicles are ordered as soon as is practicable once the final evaluation process has been concluded. This is due to the lead time required for the vehicles to be manufactured (which can be up to 26 weeks). The recommendation to the report allows for the order the vehicles in a timely way once the evaluation process has been completed.

3 PROPOSED CAPITAL PROGRAMME FOR 2015/16 – EXEMPT ITEMS

3.1 Appendices B and C detail additional strategic capital bids which have been placed in Part 2 of the Agenda due to commercial sensitivity.

3.2 These strategic project bids to the Capital Programme total £1,120,000 in Exempt Appendices B and C. These will be subject to detailed feasibility and financial appraisal techniques (gateway review), following the results of the initial feasibility investigations and condition surveys. This is as set out in the Council's asset strategy.

3.3 Appendix B also sets out the details of a disposal of The Levels car park at Dittisham to Dittisham Parish Council, with other terms and conditions to be agreed by the Head of Assets.

4 CONCLUSION

- 4.1 The Capital Programme includes the items of expenditure deemed as essential in accordance with the approved Asset Strategy and other non asset based investments.
- 4.2 Regular monitoring of the programme will enable progress to be checked and where slippage is occurring, or projects cannot be progressed, other projects which subsequently emerge could be considered as potential replacement projects.

5 FINANCING THE CAPITAL PROGRAMME 2015/16

- 5.1 A summary of the Capital Bids received for 2015/16 is shown in Appendix A. The table below shows the recommended way that these projects are financed:-

Capital Programme 2015/16 (Appendix A bids)	£'000
Capital Programme Reserve (£463k available)	125
Capital Receipts	800
Government Grant funding towards Disabled Facilities Grants	366
New Homes Bonus – for housing projects and disabled facilities grants	464
TOTAL	1,755

- 5.2 There are further strategic capital bids totalling £1,120,000. The table below shows the recommended way that these projects are financed:

Capital Programme 2015/16 (Appendix C bids)	£'000
Capital Programme Reserve (£463k available)	338
Capital Receipts	701
Strategic Issues Earmarked Reserve (£306K available – recommended to use £225K for the T18 Updated Business Case – leaving £81K available for use.)	81
TOTAL	1,120

- 5.3 The capital bids within the 2015/16 Capital Programme Proposals (£2,875,000) would utilise all of the Council's available capital resources for 2015/16 if approved.

6. LEGAL IMPLICATIONS

- 6.1 The Executive is responsible for the control of the Council's capital expenditure. The Head of Finance and Head of Assets are responsible for providing capital monitoring reports to the Executive, detailing the latest position of the Council's Capital Programme.
- 6.2 Council is responsible for setting the Capital Programme and approving the Capital Budget, following consideration and recommendation from the Executive.
- 6.3 Final commitment to finance any of the projects in Appendix C will be dependent on a project appraisal and a robust business plan.
- 6.4 Appendices B, C and D of this report have been placed in Part 2 of the Agenda due to commercial sensitivity. An assessment has been carried out as to whether the public interest in withholding this information from the public domain outweighs the public interest in disclosing it. It was assessed that maintaining the confidentiality of the commercially sensitive information relating to various bodies outweighed the public interest in disclosure of the same.
- 6.5 As set out in Part 3 of the Delegation Scheme (Section 4.12.1) the Executive will manage all the Council's land and property. In accordance with the Financial Procedure Rules, the disposal of any land and building over £50,000 in value requires the prior approval of the Executive and shall be made within the context of the Council's asset management plan.

7. FINANCIAL IMPLICATIONS

- 7.1 The financial implications are set out in the report. The capital bids within the Capital Programme for 2015/16 require funding of £2,875,000.
- 7.2 The Capital Programme includes the items of expenditure deemed as essential in accordance with the approved Asset Strategy and other non asset based investments.
- 7.3 Regular monitoring of the programme will enable progress to be checked, and where slippage is occurring, or projects cannot be progressed, other projects, which subsequently emerge could be considered as potential replacement projects.

8. RISK MANAGEMENT

- 8.1 The Risk Management implications are shown at the end of this report in the Strategic Risks Template.

9. OTHER CONSIDERATIONS

Corporate priorities engaged:	The report meets all the corporate priorities as they are all implicit within the budget setting process.
Statutory powers:	Local Government Act 1972, Section 151
Considerations of equality and human rights:	This matter is assessed as part of each specific project.
Biodiversity considerations:	This matter is assessed as part of each specific project.
Sustainability considerations:	This matter is assessed as part of each specific project.
Crime and disorder implications:	This matter is assessed as part of each specific project.
Background papers:	Report to and minute 50/13 of South Hams District Council on 13 February 2014. Capital Monitoring Report to Executive on 23 October 2014
Appendices attached:	Appendix A – Summary of Capital Bids for 2015/2016 EXEMPT – Appendix B – Additional Capital Bids for 2015/2016 EXEMPT – Appendix C – Summary of Additional Capital Bids for 2015/2016 EXEMPT – Appendix D – Strategic Asset Review (SAR) Disposals

STRATEGIC RISKS TEMPLATE

No	Risk Title	Risk/Opportunity Description	Inherent risk status				Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel			
1	Council Priorities	Meeting existing Council priorities in line with the Council's Asset Strategy and the opportunity to assess emerging projects, which could contribute to the Council's priorities	4	2	8	↔	This requires a project appraisal for each proposal. This needs to be taken into account when assessing possible implementation timescales. Complex capital programmes have a relatively long lead-in period.	Head of Service
2	Funding of the future Capital Programme	Availability of capital resources and options of using funding streams, such as New Homes Bonus	4	4	16	↔	Review of potential opportunities to support further capital programme. One of the objectives of the Strategic Asset Review is to identify opportunities for the disposal of assets and the generation of capital receipts.	Executive Directors, H of F&A H of A Executive Directors, H of F&A H of A
3	Providing value for money	The Council must demonstrate that capital investment contributes to corporate priorities, provides value for money and takes account of the revenue implications of the investment.	4	2	8	↔	Regular monitoring of the capital programme and consideration of new pressures enables Members to control the programme and secure appropriate mitigation where problems arise.	Head of Finance and Audit Head of Assets
4	Cost overruns	Risk of cost overruns on the Capital Programme.	5	2	10	↔	There is regular quarterly monitoring of the Capital programme to Members	Head of Finance and

No	Risk Title	Risk/Opportunity Description	Inherent risk status			Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel		
						where any cost overruns are identified at any early stage. There is a contingency budget suggested within the Capital Programme of £300,000.	Audit Head of Assets

Direction of travel symbols ↓ ↑ ⇄

Appendix A

Proposed Capital Projects 2015/16 - 2017/18 - PART I							
Priority Criteria							
Statutory Obligations		1	Compliance, H&S, DDA				
		2	Essential to keep Operational Assets open				
Good Asset Management		3	Rationalise service delivery or service improvement				
		4	Generate income, capital value or reduce revenue costs				
		5	Strategic Asset Review Project				
Service	Site	Project	Lead officer	Proposed 2015/16 £'000	Proposed 2016/17 £'000	Proposed 2017/18 £'000	Priority code / notes
Car Parks	Batson Boat Park Salcombe	Resurface	TF CA		50		1,2
Depots	Ivybridge	Resurface yard		75			1,2
Employment Estates and other properties	Whitestrand Salcombe	Create new town square	CB		75		1,5
	Ermington Mill	Repairs to external walls, electrics and install new fire panel	SF TF		65		1,2
	Ermington Workshops	Units 1,5,6,7,10 wall and window repairs	TF		21		1,2
HQ	Follaton House	Refurbishment of roof to old house and replacement guttering	TF	50	50	50	1,2
		Upgrade electrical distribution boards	TF			20	1
		Refurbish Phase 1 lift	TF			45	1
		Refurbish Phase 2 lift	TF			45	1
		Alterations to ground floor offices to create additional lettable space	SF			50	4,5

Leisure Centres	All Leisure Centres	Contingency for Major Repairs	TF	150			2
Engineering	Torr Stream Rockdale Road Yealmpton	Reprofile stream to avoid ongoing maintenance and claims from adjacent owners on flooding	CB	20			1
	SHDC Coastal Assets Repairs	5 year planned prog based on marine survey	CB	300	300	300	1
	Dartmouth Town Jetty	Replacement Pontoon	CB	30			1,2
Affordable Housing	Projects	Various	LR	230	230	230	
Disability Facility Grants			DP	600	600	600	1
Sub Total				1,455	1,391	1,340	
Contingency				300	300	300	
Totals				1,755	1,691	1,640	

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AGENDA
ITEM

11

SOUTH HAMS DISTRICT COUNCIL

AGENDA
ITEM

11

NAME OF COMMITTEE	Executive
DATE	11 December 2014
REPORT TITLE	Applications to designate Neighbourhood Plan areas for Dartmouth and Stoke Gabriel parishes
REPORT OF	Strategic Planning Officer
WARDS AFFECTED	Dartmouth and Kingswear, Dartmouth Townstal, East Dart and adjacent wards

Summary of report:

Dartmouth Town Council and Stoke Gabriel Parish Council have submitted applications to the Council to designate Neighbourhood Plan areas in their parishes.

The applications have been advertised for a six week period (5 September – 18 October 2014), during which comments have been invited about whether the two proposed plan areas are appropriate.

Financial implications:

The financial implications of the duty to support the preparation of a Neighbourhood Plan will be neutral, due to the Council being able to claim back associated costs as detailed in paragraph 4.3.

Where applications for plan areas are successful, the Council can bid for central government funding up to £5,000 per plan to help cover the associated costs of preparation. The Council intends to submit a bid in respect of these Neighbourhood Plan areas within three months of a decision to approve them.

RECOMMENDATIONS:

It is recommended that Executive:

1. Approves the designation of Dartmouth and Stoke Gabriel parish boundaries for the purposes of preparing their respective Neighbourhood Plans.
2. Supports a bid for central government funding to help cover the costs associated with preparing these Neighbourhood Plans.

Officer contact:

Graham Swiss
Strategic Planning Officer
01803 861290

1. BACKGROUND

1.1 The Localism Act and National Planning Policy Framework (NPPF) both came into effect in 2012. These encourage and support communities to prepare plans for their area.

1.2 The Council has adopted a Neighbourhood Planning Protocol which provides clear information on the procedures that will guide the neighbourhood planning process.

1.3 The first step in the neighbourhood planning process is to designate a plan area. This requires communities to make an application to the Council. Such applications are then subject to a six week period during which those who live, work or carry out business in the area are invited to comment on whether the proposed area is appropriate. There are other opportunities during the neighbourhood planning process to put forward ideas about what the plan should contain.

1.4 This Executive report considers applications to designate two Neighbourhood Plan areas. They are to be assessed against the following five criteria set out in the Neighbourhood Planning Protocol:

1. The applicant is an appropriate body with responsibility for leading the plan process (i.e. a town or parish council);
2. Terms of Reference for the group have been prepared and signed by all members of the group;
3. The proposed area is suitable and reasons have been adequately demonstrated if it does not follow the boundaries of existing parishes;
4. The plan area does not overlap any other designated Neighbourhood Plan area; and,
5. The plan area does not prejudice other Neighbourhood Plan areas coming forward in the future.

2. ISSUES FOR CONSIDERATION

2.1 Dartmouth Town Council and Stoke Gabriel Parish Council both submitted an application to the Council to designate the area they intend their Neighbourhood Plan to cover. In both cases the proposed area covers the extent of the parish boundary. These are shown as part of the applications appended to this report.

2.2 The applications are accompanied by a set of Terms of Reference (ToR) for the groups that will be responsible for leading the processes in Dartmouth and Stoke Gabriel, and these have been endorsed by the respective town and parish councils that are proposing the areas for designation. The two sets of ToR are also included in the appendices.

2.3 Details of the applications have been displayed in Dartmouth and Stoke Gabriel and the town and parish councils were asked to publicise the proposed designations. Details have also been available on the district council's and town/parish councils' web pages.

Dartmouth responses:

2.4 Responses to the proposed plan area have been received from the AONB Unit, English Heritage, the Environment Agency, Natural England, the Police Architectural Liaison Officer (ALO) and South West Water. No objections to the proposed plan area were received.

2.5 A brief summary of the responses follows:

- The AONB Unit welcomes the application, refers to the statutory duty of regard for the AONB and recommends contact with the AONB team at an early stage in the NP preparation process.
- English Heritage has no objection to the proposal.
- The Environment Agency has no objections to the application and highlights the environmental constraints within the parish that will need to be considered as the NP progresses.
- Natural England does not have any comments on the extent of the NP area. Protected landscapes, protected species, wildlife sites, agricultural land and opportunities for enhancing the natural environment are highlighted as issues that the NP may need to take in to account.
- The Police ALO has no comments at this stage.
- South West Water has no specific comments at this stage.

Stoke Gabriel responses:

2.6 Responses to the proposed plan area have been received from the AONB Unit, English Heritage, the Environment Agency, Natural England, the Police Architectural Liaison Officer (ALO), South West Water, Cornworthy Parish Council and the Paignton Neighbourhood Forum. No objections to the proposed plan area were received.

2.7 A brief summary of the responses follows:

- The AONB Unit welcomes the application, refers to the statutory duty of regard for the AONB and recommends contact with the AONB team at an early stage in the NP preparation process.
- English Heritage has no objection to the proposal.
- The Environment Agency has no objections to the application and highlights the environmental constraints within the parish that will need to be considered as the NP progresses.
- Natural England does not have any comments on the extent of the NP area. Protected landscapes, protected species, wildlife sites, agricultural land and opportunities for enhancing the natural environment are highlighted as issues that the NP may need to take in to account.
- The Police ALO has no comments at this stage.
- South West Water has no specific comments at this stage.
- Cornworthy Parish Council expresses serious concern about any development close to the river Dart.
- The Paignton Neighbourhood Forum fully supports the proposed NP area and looks forward to joint-working on any cross-boundary matters.

3. LEGAL IMPLICATIONS

3.1 The Localism Act and National Planning Policy Framework make provision for communities to prepare plans that influence planning and development in their area.

3.2 These two applications are also made in accordance with the Council's adopted Neighbourhood Planning Protocol.

3.3 The Town and Country Planning, England, Neighbourhood Planning (General) Regulations 2012 set out the procedures which govern the processes of neighbourhood planning.

4. FINANCIAL IMPLICATIONS

4.1 The financial implications of the duty to support the preparation of a Neighbourhood Plan will be neutral, due to the Council being able to claim back associated costs as detailed in paragraph 4.3.

4.2 When applications for plan areas are approved, the Council can bid for central government funding of up to £5,000 per area to support the communities in the preparation of their plans. If the bids are successful, the money will be held by the Council to cover any costs incurred as a result of supporting the communities with the progression of their plans. The Council intends to submit bids in this respect within the three month period following Executive.

4.3 For Member's information, the government has set out a programme of financial support for local authorities' neighbourhood planning activities during 2014/15. The authority is able to claim for financial support for up to 30 designations over the two year period. There are various payment stages to reflect the work involved. These are as follows:

- o The first payment of £5,000 will be made following designation of a Neighbourhood Plan area.
- o A second payment of £5,000 will be made when the local planning authority publicises the Neighbourhood Plan prior to examination.
- o The third payment of £20,000 will be made on successful completion of the examination and any other further steps that may be needed for the plan to come into legal force, including the mandatory referendum.

5. RISK MANAGEMENT

5.1 The risk management implications are shown at the end of this report in the Strategic Risks Template.

6. OTHER CONSIDERATIONS

Corporate priorities engaged:	All
Statutory powers:	National Planning Policy Framework (NPPF) 2012 Localism Act 2011 Town and Country Planning, England Neighbourhood Planning (General) Regulations 2012
Considerations of equality and human rights:	This report seeks to ensure that communities are enabled to prepare community-led plans for their areas and that the process undertaken is fair, transparent and inclusive for everyone.
Biodiversity considerations:	There are no direct biodiversity implications arising from the report.

Sustainability considerations:	The designations will enable the communities to prepare a plan to secure a sustainable future for their areas.
Crime and disorder implications:	There are no proposals contained within this report that have direct crime and disorder implications to consider.
Background papers:	Neighbourhood Planning Protocol

STRATEGIC RISKS TEMPLATE

No	Risk Title	Risk/Opportunity Description	Inherent risk status				Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel			
1	Lack of plan to guide local development initiatives in Dartmouth and Stoke Gabriel	If the plan areas are not designated then Dartmouth Town Council and Stoke Gabriel Parish Councils cannot progress work on their Neighbourhood Plans. Without a plan in place, decisions relating to development in these communities will defer to national and district wide planning policies, which seek to secure sustainable development.	2	2	4	↑	Approve the designation of the Neighbourhood Plan areas	Strategic Planning

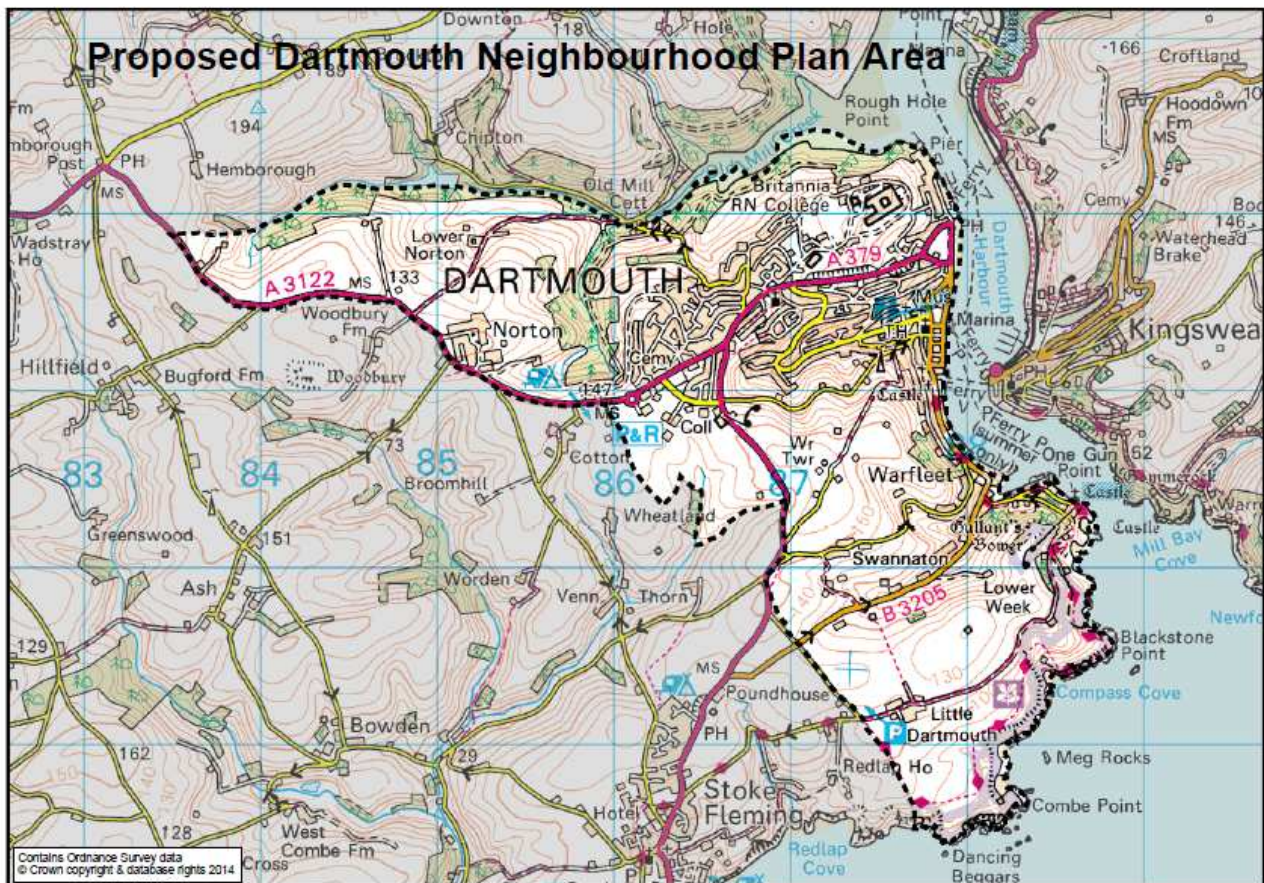
Direction of travel symbols ↓ ↑ ⇄

Appendices

Appendices attached:

Appendix A: Application form and terms of reference for Dartmouth Neighbourhood Plan
Appendix B: Application form and terms of reference for Stoke Gabriel Neighbourhood Plan

Appendix A



Designation of Plan Area Application Form



South Hams
District Council

Name of Applicant - *Must be a Parish or Town Council*

Dartmouth Town Council

Contact Details - *Please supply contact details of project lead*

Name: Cllr Tony Fyson

Address: 51 Above Town
Dartmouth
TQ6 9RQ

Email: anthony.fyson@gmail.com

Tel: 1,803,834,184

Name of proposed plan area

Dartmouth Town

Map of proposed plan area

Please supply a separate map showing the boundaries of the proposed plan area

Statement confirming why the proposed plan area is appropriate

Please explain why the plan area is an appropriate designation, continue on a separate sheet if necessary.

Dartmouth is a relatively isolated settlement in two distinct parts - the old port area by the river and more recent development on the high land around the even older settlement core at Townstal. Our plan will aim to serve the interests of both areas through unifying, integrated, development proposals that recognise the special needs and potentialities of the whole community and the established character of its built forms and spaces.

Type of plan proposed - *Please tick*

Neighbourhood Development Plan

Community Plan

Plan-It Lite

Neighbourhood Development Order

Community Right to Build Order

Group Terms of Reference

Please supply a separate sheet detailing the Group's Terms of Reference

Please return to the Strategic Planning Team,
South Hams District Council, Follaton House,
Plymouth Road, Totnes, Devon, TQ9 5 NE.

Submit

Dartmouth Town Council - Neighbourhood Development Plan

Terms of Reference of the Working Group

The Neighbourhood Plan Working Group is a project-based team and not a standing committee of the Council. It will report regularly to the Full Council, which at significant stages of its work will be asked to debate and comment on its recommendations. Its terms of reference must meet the requirements of South Hams District Council, which has issued a template to guide – but not to dictate – the content of the terms. The ultimate goal is a plan reflecting expressed community aspirations which is endorsed by the Town and the District Councils, by an independent examiner and by a majority vote in a referendum of the town's electorate.

Membership: In the first instance, 5 Councillors including the Mayor and Deputy Mayor. The Group may subsequently invite participation, either temporary or permanent, of members of the public and representatives of local organisations, up to a maximum of ten additional people at any one time.

Terms of Reference: To deliver a Neighbourhood Development Plan for the town of Dartmouth by

- a) Enabling production of a Neighbourhood Development Plan developed and endorsed by the people of Dartmouth, to guide the future of the town's physical development and conservation and thus its social and economic prosperity.
- b) Determining the project plan, timescales and necessary grant applications
- c) Publicising the exercise to achieve maximum public involvement
- d) Gathering evidence from all quarters including individuals as well as voluntary organisations and official bodies and the member organisations of the Community Forum, using all methods including public meetings, written communications, appearances in person and informal roundtable discussions.
- e) Making use of the guidance provided by SHDC in the form of technical advice, including evidence gathering, sustainability appraisal, housing needs, methods of community consultation and involvement and funding support
- f) Guiding the progress of the Plan through town and district appraisal, independent examination and public referendum
- g) Operating in a public and open manner, with regular meetings open to public observation and, as appropriate, to public participation with full minutes kept and publicised
- h) Inviting all participants to observe the Town Council's code of conduct for meetings

Timetable: Group Meetings at least monthly over an anticipated two-year period

Quorum required 3 members of the group

Designation of Plan Area Application Form



Name of Applicant - *Must be a Parish or Town Council*

Stoke Gabriel Parish Council

Contact Details - *Please supply contact details of project lead*

Name: Parish Clerk

Address: 12 Kings Rydon Close
Stoke Gabriel
Totnes, Devon, TQ9 6QG

Email: renwickrobinson@btinternet.com

Tel: 1,803,782,690

Name of proposed plan area

Stoke Gabriel Parish

Map of proposed plan area

Please supply a separate map showing the boundaries of the proposed plan area

Statement confirming why the proposed plan area is appropriate

Please explain why the plan area is an appropriate designation, continue on a separate sheet if necessary.

The proposed area is the Parish boundary. This will allow for the Neighbourhood Plan to not only concentrate on the Village centre, but also including its surrounding hamlets.

Type of plan proposed - *Please tick*

- Neighbourhood Development Plan Community Plan Plan-It Lite
 Neighbourhood Development Order Community Right to Build Order

Group Terms of Reference

Please supply a separate sheet detailing the Group's Terms of Reference

Please return to the Strategic Planning Team,
South Hams District Council, Follaton House,
Plymouth Road, Totnes, Devon, TQ9 5 NE.

Submit

Group Terms of Reference



South Hams
District Council

Name of Group

Stoke Gabriel Parish Council (SGPC)

Purpose of the Group - What is the main aim of the Group?

To deliver a Neighbourhood Plan for the Parish and surrounding hamlets of Stoke Gabriel

Objectives of the Group - What is the Group hoping to achieve? – Key Outputs

- 1) To investigate the opportunities offered by the Localism Act 2011 relative to Neighbourhood Planning for the parish of Stoke Gabriel
- 2) To apply for a Neighbourhood Plan
- 3) To facilitate the production of an NDP

Membership and Governance

Who are the Members of the Group?

What are the roles and responsibilities of individual Members?

Membership of the group to be known as the Steering group will include the following:

Parish Clerk	- Project Manager
Core Councillor	- Chair of Steering Group
Councillor	- Vice Chair of Steering Group
Parishioners	- four or five additional members

What arrangements are in place for bringing in replacement and/or additional Members?

Additional members will be co-opted to strengthen the group in respect of particular issues or opportunities identified in the course of the plan preparation

How will declaration of interests be managed?

Members will be requested to declare any pecuniary interests in particular issues or land as appropriate as a condition of their participation in the plan preparation

If voting is required, what voting arrangements are in place?

Voting if appropriate will be by a show of hands with the Chairman having a casting vote

Which decisions will be referred to the parish/town council?

Any decisions which cannot be made will be put to the full Parish Council for a decision

Submit

Reporting and Feedback	
	Information will be shared with the community through Parish Council meetings and the Parish Web site. Minutes of the Steering Group and workshops will be recorded and displayed on the Stoke Gabriel Parish Council notice boards and web site. Copies will be kept for public inspection by the Parish Clerk and Group Chairman
Resources and Finance	Resources and Finance Grant applications will be made to Locality and close liaison with SHDC will also be required to ensure Stoke Gabriel's fair share of centrally funded initiatives is obtained. The Parish Council will set the budget, endorse and monitor all expenditure. It will also manage cash flow and underwrite, to a maximum of £ 1,000.00, other discretionary expenditure.
Monitoring and Review	Monitoring and reviewing the project plan <u>itself</u> will set out clear timelines and objectives which will be continually monitored by the Steering group and Parish Council.
	Ongoing arrangements for the review and monitoring of the progress on the plan's implementation after adoption will be set out in the plan.

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AGENDA
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SOUTH HAMS DISTRICT COUNCIL

AGENDA
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NAME OF COMMITTEE	Executive
DATE	11 December 2014
REPORT TITLE	Neighbourhood Plan area approval process
REPORT OF	Strategic Planning Officer
WARDS AFFECTED	All

Summary of report:

Early in the Neighbourhood Plan (NP) preparation process the first formal stage is reached – designation of the plan area.

Following consultation on the proposed area for a six week period the decision whether to approve the area is the responsibility of the local planning authority. As set out in the Council’s Neighbourhood Planning Protocol, this decision is referred to the Executive. As this step is purely procedural and has in each case to-date been non-contentious, it is proposed that this decision be delegated.

Financial implications:

The financial implications of the duty to support the preparation of a NP will be neutral, due to the Council being able to claim back associated costs as detailed in paragraph 4.2. Where applications for plan areas are successful, the Council can bid for central government funding up to £5,000 per plan to help cover the associated costs of preparation.

RECOMMENDATIONS:

It is recommended that Executive:

1. Agrees that the authority to approve the designation of Neighbourhood Plan areas be delegated to the Head of Planning, Economy and Community in consultation with the Planning, Economy and Community Portfolio Holder and the appropriate ward member(s).
2. Subject to approval of recommendation 1 above, agrees that the appropriate changes be made to the Council’s Neighbourhood Planning Protocol (as set out in the Appendix to this report) to reflect this change.
3. Agrees that the authority to amend the Neighbourhood Planning Protocol to reflect any future changes to the Neighbourhood Planning Regulations be delegated to the Head of Planning, Economy and Community in consultation with the Planning, Economy and Community Portfolio Holder.

Officer contact:
Graham Swiss
Strategic Planning Officer
01803 861290

1. BACKGROUND

1.1 The Localism Act and National Planning Policy Framework (NPPF) both came into effect in 2012. These encourage and support communities to prepare plans for their area.

1.2 The Council has adopted a Neighbourhood Planning Protocol which provides clear information on the procedures that will guide the NP process.

1.3 The first formal step in the NP process is to designate a plan area. This requires communities to make an application to the Council. Such applications are then subject to a six week period during which those who live, work or carry out business in the area are invited to comment on whether the proposed area is appropriate. There are other opportunities during the NP process to put forward ideas about what the plan should contain.

1.4 This Executive report considers the internal Council process for approving the designation of NP areas. The expectation is that NP areas will normally be based on parish boundaries. Area designation applications are reviewed by the Executive and the decision whether or not to designate the NP area is assessed against the following five criteria, as set out in the Neighbourhood Planning Protocol:

1. The applicant is an appropriate body with responsibility for leading the plan process (i.e. a town or parish council);
2. Terms of Reference for the group have been prepared and signed by all members of the group;
3. The proposed area is suitable and reasons have been adequately demonstrated if it does not follow the boundaries of existing parishes;
4. The plan area does not overlap any other designated Neighbourhood Plan area; and,
5. The plan area does not prejudice other Neighbourhood Plan areas coming forward in the future.

2. ISSUES FOR CONSIDERATION

2.1 Each time a new NP area designation has been proposed and has completed a six week consultation period a report has been taken to the Executive. So far within the South Hams ten NP areas have been approved and a further two are recommended for approval in a separate report to this Executive meeting. In all cases the proposed NP areas have not been contentious and have been approved as recommended. Given the procedural nature of this approval process this report recommends that the approval decision be delegated to the Head of Planning, Economy and Community in conjunction with the service portfolio holder and the appropriate ward member(s).

2.2 The Council's Neighbourhood Planning Protocol provides information on how the Council will support communities preparing a NP and how it will assess applications to designate NP areas. If the change to the approval process as set out in recommendation 1 in this report is agreed, it will be necessary to make minor changes to the wording of the NP Protocol to reflect this. The current and proposed wording is set out in the Appendix to this report.

2.3 It is anticipated that there will be occasional future changes to the Neighbourhood Planning Regulations which set out the process for producing neighbourhood plans. The Council's Neighbourhood Planning Protocol may need to be amended to reflect such changes which are likely to be procedural and relatively minor in terms of their implications. Accordingly, it is recommended that the authority to make such changes to the protocol be delegated to the Head of Planning, Economy and Community in consultation with the service portfolio holder.

3. LEGAL IMPLICATIONS

3.1 The Localism Act and National Planning Policy Framework make provision for communities to prepare plans that influence planning and development in their area.

3.2 The assessment and approval of applications to designate NP areas are made in accordance with the Council's adopted Neighbourhood Planning Protocol.

3.3 The Town and Country Planning, England, Neighbourhood Planning (General) Regulations 2012 set out the procedures which govern the processes of Neighbourhood Planning.

4. FINANCIAL IMPLICATIONS

4.1 There are no financial implications of this proposed change of process for approving Neighbourhood Plan areas.

4.2 When applications for plan areas are approved, the Council can bid for central government funding of up to £5,000 per area to support the communities in the preparation of their plans. If the bids are successful, the money will be held by the Council to cover any costs incurred as a result of supporting the communities with the progression of their plans.

5. RISK MANAGEMENT

5.1 The risk management implications are shown at the end of this report in the Strategic Risks Template.

6. OTHER CONSIDERATIONS

Corporate priorities engaged:	All
Statutory powers:	National Planning Policy Framework (NPPF) 2012 Localism Act 2011 Town and Country Planning, England Neighbourhood Planning (General) Regulations 2012
Considerations of equality and human rights:	This report seeks to improve the Council's internal decision-taking process relating to the

	designation of NP areas and to improve the responsiveness to local communities.
Biodiversity considerations:	There are no direct biodiversity implications arising from the report.
Sustainability considerations:	There are no direct sustainability implications arising from the report.
Crime and disorder implications:	There are no proposals contained within this report that have direct crime and disorder implications to consider.
Background papers:	
Appendices	Neighbourhood Planning Protocol

STRATEGIC RISKS TEMPLATE

No	Risk Title	Risk/Opportunity Description	Inherent risk status				Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel			
1	Speed and efficiency of decision-taking process	The change to the approval process will represent a more efficient process and will enable the Council to respond more quickly to applications to designate NP areas.	2	2	4	↑	Approve the recommended change to the NP area designation approval process and make the appropriate amendments to the Neighbourhood Planning Protocol and the Council's Scheme of Delegation.	Strategic Planning

Direction of travel symbols ↓ ↑ ⇄

Appendix

Current wording in the Neighbourhood Planning Protocol relating to the approval of NP areas

Following this six week notice period, applications will be reviewed by the Executive. Any issues raised regarding the designation of a neighbourhood area will be debated in this forum. The Executive will take account of any comments made during the six week notice period and will use the criteria in the following table to decide whether or not to designate the neighbourhood area.

Proposed wording to replace the paragraph above

Following this six week notice period, applications will be reviewed by the Council. Any issues raised regarding the designation of a neighbourhood plan area will be taken into account. The decision whether or not to approve the proposed plan area has been delegated to the Head of Planning, Economy and Community in consultation with the Planning, Economy and Community Portfolio Holder and the appropriate local ward member(s). In coming to this decision the proposed area will be assessed against the criteria in the following table.

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SOUTH HAMS DISTRICT COUNCIL

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NAME OF COMMITTEE	Executive
DATE	11 December 2014
REPORT TITLE	Our Plan – Revised Local Development Scheme
Report of	Strategic Planning Manager
WARDS AFFECTED	All wards

Summary of report:

This report seeks formal approval of a revised Local Development Scheme for the preparation of Our Plan. The timetable has been revised to take into account additional work required on Objectively Assessed Need and Duty to Cooperate work with Plymouth both of which are critical to the soundness of the plan.

Financial implications:

There are no direct financial implications relating to this report. The financial strategy will be an integral part of “Our Plan” ensuring resources and direct financial costs are managed as part of the process. Our Plan will also link directly into the new commissioning cycle enabling more effective commissioning decisions.

The change to the timetable will mean the Council will be required to cover the full cost of an Examination in Public (EiP) for Our Plan as there will be no opportunity to share EiP days with West Devon who are developing their plan broadly in line with the original timetable. It is therefore recommended that the Council allocate an additional £30,000 from the Planning Policy and Earmarked Reserve for this purpose. The Examination in Public is likely to take place in 2016/17.

RECOMMENDATIONS:

It is recommended that Executive:-

- Approve the revised Local Development Scheme
- Recommend to Council to source the additional £30,000 as set out in paragraph 4.2 from the Planning Policy and Major Developments Earmarked Reserve.

Officer contact: Jo Perry or email jo.perry@swdevon.gov.uk or telephone 01822 813558

1. BACKGROUND

- 1.1 During April 2014 the Council agreed to prepare 'Our Plan' as the council's strategic overarching document. The plan will set out our vision for South Hams and the longer term aims and objectives for the District. Central to the plan will be our future development strategy for homes and jobs and our formal planning policies.
- 1.2 This more comprehensive approach to organisational planning will ensure a more cohesive, corporate approach and will directly inform our annual delivery plan, our financial plans and our commissioning cycle. It will also ensure our corporate planning cycle is fit for purpose as we move into the new operating model.
- 1.3 As part of our Local Plan process we are required to prepare and maintain a Local Development Scheme (LDS). The LDS has to contain particular information including the geographical area covered by the plan, the scope and the timetable for production of the plan. This timetable has been revised and consequently, Executive approval is sought for the LDS as attached at Appendix "A".

2. OUR PLAN – PREPARATION

- 2.1 Since agreeing the initial Our Plan timetable in April 2014 a number of key steps and key pieces of work have been taken in terms of developing Our Plan. These include;
- Regulation 18 consultation
 - A number of informal discussions with members (Member Single Topic Discussions) related to key issues such as renewable energy, development strategy;
 - The continued collection and analysis of evidence such as the SHMNA, updated population projections, Economic Growth Advisor Study;
 - Continued work on the land availability assessment process with extended deadlines to meet community needs,
 - Regular Duty to Cooperate meetings with adjoining authorities;
 - Informal consultation with communities through e-newsletters, town and parish workshops, attendance at community events and stakeholder meetings and forums
- 2.2 One of the key issues relating to the preparation of Our Plan is the development strategy and agreement of a housing target which must relate to the objectively assessed need within South Hams. This target must be based on Local Evidence and be developed alongside our Duty to Cooperate with partners within the Housing Market Area. It has become clear that developing a housing target for South Hams is complex and there are a number of factors which require detailed consideration and further work with members to ensure that we have the right level of growth. It is also important that we carefully consider the role which the urban fringe part of South Hams plays in the development strategy, and this work must be undertaken alongside Plymouth City Council.

2.3 In order to ensure that this work is undertaken comprehensively it has been necessary to revisit the timetable for the preparation of the plan. The revised Local Development Scheme is attached at Appendix A. This document is very high level and is only required to cover key dates in the process, if approved we will then update the Engagement Plan and the website with key consultation dates. We also propose to issue a newsletter to our communities setting out the key steps involved with the new timetable.

3 LEGAL IMPLICATIONS

3.1 Section 15 of the Planning and Compulsory Purchase Act (as amended by Section 111 Localism Act 2011) requires Local Planning Authorities to prepare and maintain a Local Development Scheme.

3.2 Section 33A of the Planning and Compulsory Purchase Act 2004 (PCPA)(as amended by Section 110 of the Localism Act) places a legal duty on local planning authorities to cooperate.

4 FINANCIAL IMPLICATIONS

4.1 There are no financial implications directly relating to this report. The financial strategy will be an integral part of “Our Plan” ensuring resources and direct financial costs are managed as part of the process. Our Plan will also link directly into the new commissioning cycle enabling more effective commissioning decisions.

4.2 The change to the timetable will mean the Council will be required to cover the full cost of an Examination in Public (EiP) for Our Plan as there will be no opportunity to share EiP days with West Devon who are developing their plan broadly in line with the original timetable. The cost of the EiP is estimated to be around £60,000. Previously the Council agreed £50,000 be allocated from the Planning Policy and Major Developments Earmarked Reserve. These funds included £30,000 for shared Examination in Public costs plus £20,000 for plan making processes/evidence. It is therefore recommended that a further £30,000 be earmarked for this purpose bringing the total to £80,000. This will include £60,000 for Examination in Public and £20,000 for evidence. It is likely the Examination in Public will take place during 2016/17.

5. RISK MANAGEMENT

The Risk Management implications are shown at the end of this report in the Strategic Risks Template.

Corporate priorities engaged:	Homes, Economy, Environment and Community Life
Statutory powers:	
Considerations of equality and human rights:	There are no direct implications relating to this report on equality and human rights.

	However, these issues will be considered as the plan is developed
Biodiversity considerations:	Biodiversity issues will form part of the overall plan
Sustainability considerations:	Sustainability considerations will be central in shaping 'Our Plan' but there are no direct considerations as a consequence of this report
Crime and disorder implications:	None
Background papers:	<i>Our Plan Report – April 2014</i>
Appendices attached:	<i>Appendix "A" – Local Development Scheme</i>

STRATEGIC RISKS TEMPLATE

No	Risk Title	Risk/Opportunity Description	Inherent risk status				Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel			
1	Strategic Direction	Provide strategic direction for the future of the district and organisation	High - Plans and priorities that don't meet local needs	Low	8	↓ Our Plan will reduce current risk	<p>One overarching plan bringing together corporate plan, local plan and financial plan giving clearer strategic direction</p> <p>Effective engagement and consultation with Members, partners, community and stakeholders</p> <p>Regular review and updating with annual delivery plan</p>	SMT
2	Planning Policy	Planning policies that comply with the NPPF and meet the needs of the district	<p>High - Speculative development that doesn't meet local needs</p> <p>Poor planning decisions and loss at appeal</p>	Medium	12	↓ Our Plan will reduce current risk	<p>Local Plan integral part of "Our Plan"</p> <p>Policies developed in line with principles of NPPF and local need</p> <p>Saved Core Strategy/previous Local Plan Policies to be carried forward and used as appropriate</p> <p>Effective engagement and consultation with Members, partners, community and stakeholders</p>	Head of Planning, Economy and Community
2	Community Engagement	Effectively engage communities in developing plans for their locality to meet local needs	Medium - Local People unable to influence and shape plans	Medium	9	↔	Update the corporate engagement strategy to include key consultation	Head of Planning, Economy and Community
3	New Government Policy	Actions need to be in conformity with Government legislation	Medium - Actions don't deliver outcomes in line with Government	Low	6	↔	<p>Maintaining understanding of Government legislation</p> <p>Working closely with stakeholders, partners and community to develop action plans that reflect Government</p>	SMT

No	Risk Title	Risk/Opportunity Description	Inherent risk status				Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel			
			policy				policy and meet local need	
4	T18	T18 recruitment process and ensuring expertise is in place to take Our Plan forward	Medium- T18 recruitment process could result in a loss of resource	Medium	9	↔	Ensure the resources and expertise required to take Our Plan forward are factored into the new high level design.	SMT
<u>5</u>	2015 Elections	Both at national and local level could affect future planning policy and decision-making	Medium – work could need revisiting incurring further delay and time to introduce new Members to the process	Medium	9	New Risk	Plans in place to hold discussion sessions with new Members on the plan and progress to date Ensure resources in place to respond to any changes in Government policy	SMT

Direction of travel symbols ↓ ↑ ↔



Our Plan

Page 119

Shaping our communities to 2031

Local Development Scheme

Dec 2014



South Hams
District Council

South Hams Local Development Scheme 2014

What is a Local Development Scheme (LDS)?

A LDS sets out the timetable for production for new or revised Development Plan Documents.

The Planning and Compulsory Purchase Act 2004 (as amended by the Localism Act 2011) requires Local Planning Authorities to prepare and maintain a Local Development Scheme (LDS). This December 2014 LDS supersedes all previous versions of the LDS and sets out the timetable for the preparation of Our Plan.

What are the current adopted Development Plan Documents for South Hams?

2006 Core Strategy

2007 Sherford New Community Area Action Plan (AAP)

2008 Affordable Housing Development Plan Document (DPD)

2010 Development Policies Development Plan Document (DPD)

2011 Site Allocations Development Plan Document (DPD) for:

- Dartmouth
- Ivybridge
- Kingsbridge
- Totnes
- Rural Areas

There are also a number of policies from the saved 1996 Local Plan which are still in use.

Devon County Council is responsible for preparing plans for waste and minerals and these documents also form part of the development plan.

- Devon Waste Plan
- Devon Minerals Local Plan

Any Neighbourhood Development Plans which are brought into force by the Council will also form part of the Council's development plan.

We also have a number of Supplementary Planning Documents (SPDs) to support the delivery of the Development Plan and to add further detail and guidance. These are:

- Open Space, Sport & Recreation Supplementary Planning Document (Adopted 2006)
- Affordable Housing Supplementary Planning Document (Adopted 2008)
- Planning Obligations Supplementary Planning Document (Adopted 2008)

Our Plan will cover the whole of the South Hams as shown on the map below. The statutory planning part of the plan will cover the area of South Hams outside of the National Park. The area of South Hams within the Dartmoor National Park is covered by a separate planning authority:



What new Development Plan Documents are to be prepared?

The current adopted Development Plan Documents are in the process of being replaced by the preparation of a new plan for South Hams. These plans need to be reviewed to take into account recent changes to the planning system through the Localism Act and the National Planning Policy Framework (NPPF), and to ensure that there is a plan which enables the Council to deliver its vision and priorities. The new 'Local Plan' for South Hams will be part of an overarching strategic plan for the area. The Local Plan element of the Strategic Plan will cover the area of South Hams outside of the Dartmoor National Park.

The strategic plan will be known as '**Our Plan**' *South Hams* and will focus on delivering the vision and objectives for South Hams alongside long term priorities and outcomes. This document will set out local planning policy for the area outside of the Dartmoor National Park and corporate policy and will be the key strategic document for the Council. Our Plan will set out a vision, a path to improvement and provide strategic policies to guide this future change. The document will clearly set out how the Council intends to deliver its aspirations and set out how the area can achieve sustainable long term growth which meets the needs of its communities. The document will also provide policies to help guide the preparation of Neighbourhood Plans within South Hams. If during the preparation of Our Plan there is an identified need to prepare other Development Plan or Supplementary Planning Documents (DPD and SPD), the LDS will be amended to take those into account. The Council has not yet made a decision regarding the progression of a Community Infrastructure Levy (CIL). If and when the Council chooses to pursue one, a separate timetable will be prepared and made available on the Council's website.

This key strategic plan will inform the Council's operational plan, which sets out the annual work programme, our proposed improvement plans, and the Council's financial plan. Progress will be monitored and measured to determine achievement against the targets and this in turn will help inform the commissioning of services. Our Plan will cover the following topics.



Our Vision

- Aims and framework for future growth
- Our priorities and challenges

Our Homes

- Future housing numbers
- Affordable housing
- Self-build
- Gypsy and traveller provision
- Housing mix and type
- Design standards

Our Economy

- Employment strategy
- Employment policies
- Town centre and retail policies
- Regeneration
- Diversification
- Enabling flexibility and supporting change

Our Heritage

- Conservation areas
- Listed buildings
- Heritage assets
- Reuse of land and buildings
- Archaeology

Our Infrastructure

- Communications
- Roads and transport
- Education
- Health and social care
- Waste and recycling
- Utilities
- Sport
- Cultural facilities

Our Communities

- The development strategy
- Role for neighbourhood planning
- Defining 'sustainable development'
- Sustainability Appraisal
- Community empowerment and enabling

Our Environment

- Biodiversity
- Designated and protected landscapes
- Green infrastructure
- Trees and hedges
- Water resources and quality
- Soil resources

Our Resources

- Renewable energy
- Zero carbon
- Climate change
- Energy hierarchy
- Sustainable construction
- Flood risk
- Resource management

Our Wellbeing

- Social inclusion
- Public safety
- Open space and sport
- Community assets
- Health infrastructure
- Sustainable and community transport
- Fuel poverty

Our Partners

- Neighbouring authorities
- Voluntary sector
- Infrastructure providers
- Clinical Commissioning Groups

How can you be involved?

The Council is committed to engaging with communities and stakeholders to understand the needs of our area and to ensure that development, economic growth; services and facilities meet these needs and are delivered in the most cost-effective and efficient way.

Key components of engaging effectively will be to build on existing links with communities, stakeholders, local organisations and elected Members (at all levels of local government) as community representatives and to develop new relationships and new ways of working. This will ensure everyone in the community has the opportunity to participate in shaping their area. The Council has prepared a Community and Stakeholder Engagement Strategy which sets out:

- what we mean by engagement;
- key principles for engaging our communities and stakeholders; and
- when and how engagement will take place;

There will be annual engagement plan setting out a timetable of engagement for each year.

The strategy is available on the Council's website. It includes the Council's approved **Statement of Community Involvement** (April 2012) which sets out how and when we will involve the community in preparing development plans and processing planning applications.

The Council also has a legal Duty to Co-operate with specific partners to engage constructively, actively and on an on-going basis to address cross-boundary issues when preparing key plans. Devon County Council has worked with the Devon Local Authorities and other Agencies included on the Duty to Cooperate list to prepare a Devon Wide Duty to Cooperate protocol called '**Planning Strategically across Local Boundaries**'.

Both of these documents are available on the Council's website.

If you would like to be kept in touch with progress on the preparation of 'Our Plan' please contact us with your details by emailing strategic.planning@southhams.gov.uk or calling 01803 861234.

The timetable for preparing Our Plan is shown below. We will review this timetable on an annual basis and amend it and identify the need for additional documents as appropriate.

Document Title	Subject matter and geographical area	Chain of conformity	Publication of Regulation 18 document	Ongoing informal engagement	Publication of Reg 19 submission document	Submission	Policies it will replace
Our Plan South Hams & Proposals Map Page 124	Sets out the Council's vision and objectives including a strategy for spatial development. Sets out the policies against which planning applications will be considered. The planning policies will cover the South Hams Local Authority area excluding the Dartmoor National Park.	Conformity with the NPPF	May 2014	Work with the local community, Duty to Cooperate partners, and other stakeholders on the issues to be covered by the plan May – Sept 2015	Autumn 2015	Spring 2016 Examination in Public (EIP) to follow Adoption anticipated Winter 2016 depending on the length of the EIP	All policies contained in the 1996 Local Plan, 2006 Core Strategy and adopted DPDs unless saved/carried forward in Our Plan. NB: All SPDs will be saved until otherwise reviewed or replaced.

Further Information Sources

Below are links to websites which will assist should you require further information on LDSs

Document	Weblink
The Planning and Compulsory Purchase Act 2004	http://www.legislation.gov.uk/ukpga/2004/5/contents
The Localism Act (2011)	http://www.legislation.gov.uk/ukpga/2011/20/contents/enacted
National Planning Policy Framework (2012)	https://www.gov.uk/government/publications/national-planning-policy-framework--2
The Town and Country Planning (Local Planning) (England) Regulations 2012	http://www.legislation.gov.uk/uksi/2012/767/contents/made

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 1 and 2)

AGENDA
ITEM
14

SOUTH HAMS DISTRICT COUNCIL

AGENDA
ITEM
14

NAME OF COMMITTEE	Executive
DATE	11 December 2014
REPORT TITLE	Review of Dartmouth Park & Ride service
Report of	Street Scene Manager
WARDS AFFECTED	All

Summary of report:

This report explores the future options for the Park & Ride service in Dartmouth, as the current contract for bus provision will end in early 2015. It also considers the longer-term options for the service. The report summarises the views and debate of the various local consultees who have been involved in the preparation of the service options.

Financial implications:

Financial savings will be dependent on the level of service agreed through a tendering exercise, and will be clearly established early in 2015. It is the aim of service review to ensure that costs are managed to provide the best possible local service within the available finances.

RECOMMENDATIONS:

It is recommended that the Executive consider the proposal for the future of Dartmouth Park & Ride service and make a recommendation to Council in respect of the following points:

- a) For a tendering exercise to be undertaken in respect of the provision of a Park & Ride service for 2015, with input from Dartmouth Town Council, BID and Business Forum.
- b) Tenderers to be requested to provide a quote for each of the three service options attached at Appendix 1. In addition tenderers will be given the opportunity to propose alternative solutions to give additional value to the service.
- c) To amend the Residents Car Parking permit scheme which currently allows permit holders to use the Park and Ride service free of charge and, instead, for Dartmouth Park & Ride permits to be made available at a cost of £100 per annum.

- d) To provide the extended Dartmouth Regatta Park & Ride service from the rugby fields located next to the Park & Ride site from 2015, rather than from Venn Lane fields, in order to make further financial savings, as detailed in Appendix 2.

Officer contact:

Cathy Aubertin
Street Scene Manager
Cathy.Aubertin@swdevon.gov.uk

1. BACKGROUND

- 1.1 Members will recall that, following a previous report to the Executive in January 2014, it was resolved that officers and local Ward Members should look at options for the future of the service, taking into account the need to make financial savings.
- 1.2 The service is currently subsidised by the District Council. As can be seen below, the service runs at a loss, despite being partially supported by Section 106 monies of £19,200 per annum. The table below shows the deficit since 2009/ 10:

	Income*	Expenditure	Net deficit
	£	£	£
2013/14	-177,771	213,996	36,225
2012/13	-174,635	196,334	21,699
2011/12	-178,147	217,101	38,954
2010/11	-177,108	196,099	18,991
2009/10	-139,195	149,495	10,299

* It should be noted that the income includes £19,200 Section 106 monies.

- 1.3 The section 106 monies will expire after the financial year 2017/ 18, and currently includes an amount of capital funding for the improvement of the current Park & Ride site. The capital amount has not been spent because the service could potentially be moved elsewhere in the longer term future as a result of local housing development. Once the development decision is made, it will be possible to make improvements to the current site if it is not moved.
- 1.4 This year was the final year of the current Park & Ride bus contract, with the service having ceased at the end of October 2014.

- 1.5 The table below shows the number of Pay & Display ticket sold during each Park & Ride service year. The amount has been fairly consistent for the last 4 years:

	April	May	June	July	August	September	October/ November	TOTAL
2014	2,001	3,472	3,388	5,635	7,931	4,458	2,345	29,230
2013	1,804	3,710	4,025	6,241	8,601	4,075	2,151	30,607
2012	2,507	2,918	4,276	5,061	7,571	4,197	2,038	28,568
2011	3,027	3,004	4,478	5,566	8,072	3,997	1,693	29,837
2010	2,912	3,282	5,797	6,980	8,513	5,080	2,585	35,149
2009	2,527	3,445	3,842	5,549	7,184	4,735	2,133	29,415

2. CONSULTATION

- 2.1 In order to consider the value of the options with the community representatives, officers and District Members met with representatives from Dartmouth Town Council, Regatta Committee, Business Forum, BID, and TIC, to explore the future service options with consideration being given to local business needs.
- 2.2 The outcome of the most recent meeting with stakeholders, held on the 11th November, was to procure a short term bus service for the immediate future and explore longer term service options with stakeholders.

3. REVISED SERVICE

- 3.1 Officers have been advised by the Corporate Procurement Officer that it is possible to undertake a simple tender exercise for the provision of a Park & Ride service during 2015. This will allow officers and Members to liaise with Dartmouth Town Council, BID and Business Forum, together with any other stakeholders, to consider the long term future of the service, including the possible transfer of the asset and/ or service to a community group/ company.
- 3.2 As part of the tender exercise, applicants will be requested to quote against three possible scenarios, as detailed in Appendix 1, in addition to being given the opportunity to present alternative solutions, which will provide best value for the Council, whilst maintaining an appropriate level of service.
- 3.3 It is proposed that Dartmouth Town Council, BID and Business Forum be consulted in respect of tenders received and that the successful applicant should be chosen following an interview process of all applicants, with a panel of Members, officers and a total of two representatives from the stakeholder group.
- 3.4 It is anticipated that savings may be made as a result of re-tendering the contract. However, further work should be undertaken in order to maintain and improve on the savings made, including assessing the feasibility of transferring the service and/ or asset.
- 3.5 It is the joint aim of the local working group to reach a cost-neutral point by 2017, when the Section 106 contribution ends, and, in addition to tendering the service for financial year 2015/16, it is important that the current dialogue between the District and key stakeholders in Dartmouth continues in order to reach this position.

4. SERVICE OUTSIDE OF PARK & RIDE OPERATING HOURS

- 4.1 It is recommended that officers continue to liaise with public bus service providers in order to provide a separate 'ride' service during the hours that the Park & Ride service is not operating.
- 4.2 To aid this service, it may be necessary to invest some money in providing a high quality bus stop at the entrance to the Park & Ride site and this matter will be considered together with the long-term service solutions.
- 4.3 In addition, it would be necessary to reduce the parking fee charged during times when we are expecting customers to then catch and pay for a public bus service. It is, therefore, recommended that the all day parking fee for these times is £1 for the duration of the next financial year.
- 4.4 Having analysed use of the car park during the closed period, it is anticipated that this reduction in the cost of a Pay & Display ticket will result in a loss of income for the Council of approximately £560 per annum. However, this will be negated by the other proposed savings as part of the overall package.

5. ELIMINATE USE OF RESIDENTS' CAR PARK PERMITS

- 5.1 Currently, any resident who holds a Residents' Car Park Permit may make use of the Park & Ride service free of charge. This represents a substantial loss of income for the Council.
- 5.2 It is estimated that up to 15 motorists regularly make use of the service per day during the current season. This results in a saving for customers of up to approximately £700 (for someone who works in the town five days a week) and a loss of the same amount per customer for the District Council.
- 5.3 In addition, these permits have been purchased by parents to allow their children to travel between the Park & Ride site and the town at a much reduced price.
- 5.3 Taking into account the reduced service available it is recommended that a new permit be introduced specifically for the Park & Ride service and that this be sold at £100 per annum. This will allow customers to make use of the service as frequently as they wish over the 13 weeks that the service is available (a saving of approximately £200 for anyone working in the town five days a week).

6. DARTMOUTH REGATTA

- 6.1 The final area of saving is in respect of the extended Park & Ride service that the Council currently provides in order to support Dartmouth Regatta.
- 6.2 The spreadsheet provided at Appendix 2 demonstrates that substantial savings of approximately £12,000 may be made by moving the extended service from Venn Lane fields to the rugby fields located next to the Park & Ride site, and it is recommended that Members support this change.

7. LEGAL IMPLICATIONS

- 7.1 The Council has power to provide off-street parking under the Road Traffic Regulation Act 1984 (as amended).
- 7.2 The Council has the power to deal with the provision, management and control of car parks.
- 7.3 Council has the powers to provide this service under the General Powers of Competence in the Localism Act 2011.
- 7.4 Since there is commercially sensitive information in the Appendices 1 and 2, there are grounds for the publication of these appendices to be restricted, and considered in exempt session. The public interest has been assessed and it is considered that the public interest will be better served by not disclosing the information in Appendices 1 and 2. Accordingly this report contains exempt information as defined in paragraph 3 of Schedule 12A to the Local Government Act 1972.

8. FINANCIAL IMPLICATIONS

- 8.1 Financial savings will be dependent on the success of the proposed pilot scheme to be run during 2015. The pilot will be closely monitored and its level of success will be reported to the Executive throughout the year.

9. RISK MANAGEMENT

The Risk Management implications are shown at the end of this report in the Strategic Risks Template.

Corporate priorities engaged:	Community well-being Access to services Towards excellence Customer first
Statutory powers:	As stated in paragraph 6
Considerations of equality and human rights:	An equality impact assessment has been carried out and, as a result, no further actions are required.
Biodiversity considerations:	None
Sustainability considerations:	None
Crime and disorder implications:	None
Background papers:	None
Appendices attached:	None

STRATEGIC RISKS TEMPLATE

No	Risk Title	Risk/Opportunity Description	Inherent risk status				Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel			
1	Public reaction	There may be a negative reaction from members of the public to the proposals.	2	2	4	↓	<p>Officers will continue to negotiate with local bus operators to achieve a reasonable but cost effective service.</p> <p>In addition, regular press updates to be issued so that members of the public are made aware of the reasons behind the changes to the service.</p>	C Aubertin
2	Town centre vibrancy	Possible loss of footfall in the town centre if service is reduced.	4	2	8	↓	<p>Officers and Members to continue to work closely with stakeholders to negate this, particularly Dartmouth BID, who have invested heavily in promoting Dartmouth nationally.</p>	C Aubertin

Direction of travel symbols ↓ ↑

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**MINUTES OF A MEETING OF
THE EXECUTIVE
HELD AT FOLLATON HOUSE ON THURSDAY, 11 DECEMBER 2014**

Members in attendance: * Denotes attendance			
*	Cllr H D Bastone	*	Cllr R J Tucker (Chairman)
*	Cllr R D Gilbert	*	Cllr L A H Ward
*	Cllr M J Hicks (Vice Chairman)	*	Cllr S A E Wright
*	Cllr M F Saltern		

Also in attendance and participating		
Item 7	E.44/14	Cllrs Brazil, Carson, Cuthbert, Hawkins, May and Pennington
Item 8	E.45/14	Cllr Baldry, Barber, Brazil, Coulson and Pennington
Item 9	E.46/14	Cllrs Baldry, Brazil, Coulson and Foss
Item 10	E.47/14	Cllrs Barber, Baldry, Brazil, Carson, Coulson, Hawkins, Hitchins, Hodgson and Pearce
Item 11	E.48/14	Cllrs Barber, Foss and Hodgson
Item 12	E.49/14	Cllr Hodgson
Item 14	E.51/14	Cllrs Brazil, Hawkins and Hodgson
Item 15	E.52/14	Cllr Barber
Also in attendance and not participating		
Cllrs Baverstock, Bramble, Cane, Gorman, Holway, Smerdon, Squire, Steer and Stone		

Officers in attendance		
All items	Minute Ref	Executive Directors (AR) and (TW) and Member Services Manager
Item 7	E.44/14	Head of Assets
Item 8	E.45/14	S151 Officer
Item 9	E.46/14	S151 Officer
Item 10	E.47/14	S151 Officer and Head of Assets
Item 11	E.48/14	Strategic Planning Manager
Item 12	E.49/14	Strategic Planning Manager
Item 13	E.50/14	Strategic Planning Manager
Item 14	E.51/14	Street Scene Manager

E.41/14 MINUTES

The minutes of the meeting of the Executive held on 23 October 2014 were confirmed as a correct record and signed by the Chairman.

E.42/14 DECLARATIONS OF INTEREST

Members and officers were invited to declare any interests in the items of business to be considered during the course of this meeting and the following was made:

Cllr Saltern declared a potentially Disclosable Pecuniary Interest in Item 15 'Reports of Bodies – Community Life & Housing Scrutiny Panel: 6 November 2014' (Minute E.52/14 below refers) by virtue of serving on the Devon and Cornwall Housing Community Interest Company (CIC) Board. He advised that, in the event of any questions being asked when these minutes were presented, he would leave the meeting room;

Cllr Ward declared a personal interest in Item 9 'Revenue Budget Proposals 2015/16' (Minute E.46/14 below refers) by virtue of being involved with the CAB and she remained in the meeting and took part in the debate and vote thereon;

Cllr Gilbert declared a personal interest in Item 9 'Revenue Budget Proposals 2015/16' (Minute E.46/14 below refers) by virtue of being involved with the CAB and he remained in the meeting and took part in the debate and vote thereon;

Cllr Tucker declared a personal interest in Item 10 'Capital Budget Proposals 2015/16' (Minute E.47/14 below refers) by virtue of being the local Ward Member for Dittisham and he remained in the meeting and took part in the debate but abstained from the vote on the relevant part of this recommendation;

Cllr Bastone declared a disclosable pecuniary interest in Item 7 Dartmouth Indoor Pool – Requirement for Financial Bond (Minute E.44/14 below refers) by virtue of having a liability for the bond on the old pool. He left the meeting for the duration of this item;

Cllr Bastone also declared a personal interest in Items 11 and 14 'Applications to designate Neighbourhood Plan areas for Dartmouth and Stoke Gabriel parishes' (Minute E.48/14 below refers) and 'Dartmouth Park and Ride Service Review' (Minute E.51/14 below refers) by virtue of being a local Ward Member and he remained in the meeting and took part in the discussion on each item but abstained from each vote.

E.43/14 **PUBLIC QUESTION TIME**

In accordance with Executive procedure rules, it was noted that public questions had been received from the Dartmouth Parking Group. The questions and responses were as follows:

Question 1: Dartmouth hopes to develop a Trust to manage Park & Ride but worry that key revenue streams, EG advertising, are quoted as areas you'd retain ownership of. How can we successfully relieve you of this overhead if not granted all the "tools" needed to run it as a going concern?

The Leader responded that in his view, everything should be 'on the table' and he would suggest that the Parking Group submit two bids to tender, one with advertising and one without.

Question 2: Could we seek confirmation that SHDC require to reduce their cost by £30,000 to secure the continued level of service for the park and ride and are happy to consider a partnership with DTC and BID to facilitate this?

The Leader confirmed that the Council did need to reduce its costs by £30,000 in the first year and by £50,000 in following years.

E.44/14 **DARTMOUTH INDOOR POOL – REQUIREMENT FOR FINANCIAL BOND**

Members were asked to consider a report that asked them to consider whether the council, at the request of Dartmouth and District Indoor Pool Trust (DDIPT), would be prepared to remove the requirement for a financial bond under the terms of the Building Licence Agreement to facilitate the construction of the indoor swimming pool.

The Leader introduced the report and advised that the bond was required in case the finances of the project did not add up. The Council could not be left with a half built pool and had to ensure protection was in place. However, he proposed an amendment to the recommendation (as outlined in the presented agenda report) in case the DDIPT could find another way of securing financial cover that may also be acceptable to the Council.

Cllr Saltern proposed a further amendment regarding consultation with the Leader that was accepted. During discussion, Members raised concerns over the running costs of the pool and the sustainability of the project. It was not possible to quantify the financial implications if the construction of the pool could not be completed. One Member asked if it was necessary to have such a large bond. Another Member stated that the Council could be very heavily criticised by the external auditors if the appropriate protection was not in place.

It was then:

RESOLVED:

That the request from DDIPT to waive the requirement for a Bond under the terms of the Building Licence Agreement was not accepted. However, in wanting to support this project, authority is delegated to the Head of Assets in consultation with the Leader, to consider and assess alternative options to a bond on the understanding there is no financial risk or liability to the Council in the event that the building project is unable to proceed to practical completion and handover to DDIPT.

E.45/14 **FUTURE OPERATING MODEL OPPORTUNITIES AND A REVISED T18 BUSINESS CASE**

Members were presented with a report that summarised the ongoing work in relation to the implementation of T18, in particular identifying additional savings and opportunities which had emerged during further detailed work on the future organisation design.

The Leader introduced the report and reminded Members that T18 would enable this council to continue to protect front line services despite the scale of the financial challenges to be faced over the next four years.

During discussion, the following points were raised:

- One Member welcomed the split of the Transformation Funding Award;
- One Member highlighted the loss of Revenue Support Grant by 2020 and the importance of the new 'Corporate Planning and Strategic Finance' role;
- Another Member welcomed the strategic finance role as it would drive forward creative thinking in the way that the council uses its resources;
- The Leader advised that locality working would be a service enhancement and it would be important to involve the county council and police working with locality officers;
- Members queried the difference in projected one off costs compared to the initial business case and the Executive Director confirmed that the difference had arisen as a result of redundancy and pension costs which, as Members had been advised on many occasions, were impossible to predict;
- One Member felt that the contingency of 5% going forward may not be sufficient;
- The s151 Officer was able to respond in detail to questions relating to one off costs and how the predicted annual savings would be used to offset those costs in the first year;
- In response to concerns over the increased investment costs, the Leader advised that the s151 Officer had the power to intervene if she had concerns. The s151 Officer confirmed that at this stage she was content that the business case was viable;
- One Member congratulated the council and West Devon Borough Council on taking the economic situation seriously and implementing a clear strategy to address the challenges;

- One Member wanted an assurance that members of staff would not be made redundant and then re-employed at a further cost to the council;
- The Executive Director (AR) confirmed that this programme was change on a massive scale and would take some time to develop and settle in and Members should therefore acknowledge that the business case would need to be kept under constant review. In addition, the senior management structure was not replicating the previous structure and roles as new skills were required to ensure that the council was fit for purpose for the future. In recognising the scale of change in roles and skills required by all staff a model of positive recruitment had been established;
- The Executive Director (TW) reiterated that the increase in programme costs were entirely due to the redundancy and pension costs which were originally based on losing 97 ftes but that had increased to 111 ftes. Taking account of the outcome of recent recruitment to phase 1a (Support Services), as well as reviewing the list of staff who had expressed an interest in voluntary redundancy, everything possible had been done to predict the future number of staff who may leave and this had resulted in the current figures. However, it was impossible to predict with absolute certainty because of the unpredictability of human behaviour.

It was then:

RESOLVED

That Council be **RECOMMENDED** to:

1. approve an updated investment budget of £4.61 million for the T18 Programme, to deliver annual recurring revenue savings of £3.37 million as shown in section 4.1;
2. finance the net cashflow requirement of £1.594 million in accordance with the Investment and Financing Strategy as shown in section 1.2 of Appendix D;
3. transfer £225,000 into an Earmarked Reserve for T18 as shown in Section 1.3 of Appendix D
4. delegate authority to the S151 Officer to determine the appropriate allocation of investment costs against revenue and capital funds including establishing a Strategic Change Earmarked Reserve as detailed in Section 4.8;
5. share the Transformation Challenge Funding award of £700,000 with West Devon Borough Council, based on the same ratio as the initial investment costs, resulting in £434,000 for South Hams District Council and £266,000 for West Devon Borough Council as detailed in Section 4.3;
6. approve the amended senior management structure as set out in the report;
7. approve the amended line management responsibility for the Commercial Services Group Manager.

E.46/14 REVENUE BUDGET PROPOSALS 2015/16

Members were presented with a report that updated them on the revenue budget position for 2015/16 and provided a framework for consultation with the Scrutiny Panels. The report and consultation process would help the Executive identify priorities, prepare the revenue budget and maximise the use of resources. The report also provided an updated forecast of the financial situation for the four year period to 2018/19. The forecast was intended to provide a framework within which decisions could be made regarding future service provision and council tax levels.

During discussion, the Leader advised that he was not expecting to debate the detail of the report at this meeting. Whilst the detail would be discussed during the next two months, it was noted that Members did need to come to a view on the support for the CAB before the budget was finalised.

The s151 Officer proceeded to respond to specific technical questions.

It was then:

RESOLVED

That the views be sought of the Scrutiny Panels on the budget issues contained within the draft Budget 2015/16 report.

E.47/14 CAPITAL BUDGET PROPOSALS 2015/16

Members were presented with a report that requested the views of the Scrutiny Panels on the Capital Programme proposals of £2,875,000 for 2015/16.

The Leader introduced the report.

During discussion, the following points were raised:

- The condition of coastal assets would get worse and the Council should carefully consider how much it should spend on assets that will be difficult to depend longer term. The Head of Assets responded that the focus was on preventative works;
- Whether the works on the Dartmouth Town Jetty would result in receipt of income. In response, the Head of Assets stated that this was the Jetty used by the Kingswear and Dartmouth Passenger Ferry and the current arrangements would be due for review shortly;

- One Member suggested increasing the contribution to affordable housing to 50% of the New Homes Bonus and to view this as a capital investment which would produce an income;
- Members recognised how hard officers had worked after the winter storms to successfully apply for funding to repair coastal damage;
- That surplus assets should be disposed of and this seemed to be taking some time;
- Points were raised in relation to disabled facilities grants and home improvement grants and whether the council was satisfied that the right amount would be received from the county council as part of the Better Care Fund. The Portfolio Holder for Environmental Health and Housing confirmed that the council was currently satisfied and that a Task and Finish Group was going to be looking at Disabled Facilities Grants in the New Year. The Executive Director confirmed that funding arrangements had changed and the county council had agreed that funds would be passed to the district council for the following year in respect of disabled facilities grants. In terms of home improvement grants there was an adopted policy and officers were aware of the need to drive efficiencies. Reference was also made to the mix of grants and loans that were available.

In order to discuss the detail within the exempt appendix to the report, the following resolution was **PROPOSED, SECONDED** and on being put to the vote **CARRIED**:

RESOLVED

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

Following a discussion, the following was **PROPOSED, SECONDED** and on being put to the vote **CARRIED**:

RESOLVED

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

It was then:

RESOLVED

- 1 That the views be sought of the Scrutiny Panels on the Capital Programme Proposals for 2015/16. The Capital Programme Proposals total £2,875,000, being £1,755,000 (bids set out in Appendix A to the presented agenda report) and £1,120,000 (further bids set out in Appendix C to the presented agenda report).

- 2 That the disposal of The Levels car park at Dittisham to Dittisham Parish Council be approved (as set out in Appendix B of the presented agenda report), with other terms and conditions to be agreed by the Head of Assets
- 3 That Council be **RECOMMENDED** that the approval for the purchase of vehicle fleet be delegated to the Head of Paid Service and Head of Environmental Services, in consultation with the Leader and Deputy Leader once the final evaluation of tenders has taken place, with consultation also taking place with the S151 Officer regarding the funding of the proposal (as per Section 2.6 of the presented agenda report).

E.48/14

APPLICATIONS TO DESIGNATE NEIGHBOURHOOD PLAN AREAS FOR DARTMOUTH AND STOKE GABRIEL PARISHES

Members were presented with a report that advised that Dartmouth Town Council and Stoke Gabriel Parish Council had submitted applications to the council to designate Neighbourhood Plan areas in their parishes. The applications had been advertised for a six week period, during which comments had been invited about whether the two proposed plan areas were appropriate.

The Executive Portfolio Holder for Planning, Economy and Community introduced the report and drew Members attention to the key elements. One Member asked if the amount of officer time taken to process these applications had been quantified. In response, the Executive Portfolio Holder stated that there were limited resources but the activity had to happen and officers did all they could to minimise the impact.

In response to another question, the Strategic Planning Manager confirmed that there were various points at which groups could apply for funding.

It was then:

RESOLVED

1. That the designation of Dartmouth and Stoke Gabriel parish boundaries for the purposes of preparing their respective Neighbourhood Plans be approved; and
2. That a bid for central government funding to help cover the costs associated with preparing the neighbourhood Plans be supported.

E.49/14 APPROVAL OF NEIGHBOURHOOD PLAN AREAS

Members considered a report that sought to amend the Neighbourhood Plan Process.

The Executive Portfolio Holder introduced the report and a number of Members welcomed this approach. One Member asked that Members be notified in advance of any changes to the Neighbourhood Planning Protocol.

It was then:

RESOLVED

1. That the authority to approve the designation of Neighbourhood Plan areas be delegated to the Head of Planning, Economy and Community in consultation with the Planning, Economy and Community Portfolio Holder and the appropriate local ward member(s);
2. Subject to approval of recommendation 1 above, that the appropriate changes be made to the Council's Neighbourhood Planning Protocol (as set out in the Appendix to the presented agenda report) to reflect this change, be agreed; and
3. That the authority to amend the Neighbourhood Planning Protocol to reflect any future changes to the Neighbourhood Planning Regulations be delegated to the Head of Planning, Economy and Community in consultation with the Planning, Economy and Community Portfolio Holder be agreed.

E.50/14 OUR PLAN – REVISED LOCAL DEVELOPMENT SCHEME

Members considered a report that sought formal approval of a revised Local Development Scheme for the preparation of Our Plan. The timetable had been revised to take into account additional work required on Objectively Assessed Need and Duty to Cooperate work with Plymouth both of which were critical to the soundness of the plan.

It was then:

RESOLVED

1. That the revised Local Development Scheme be approved; and
2. That Council be **RECOMMENDED** to source the additional £30,000 as set out in paragraph 4.2 of the presented agenda report from the Planning Policy and Major Developments Earmarked Reserve.

E.51/14

DARTMOUTH PARK AND RIDE SERVICE REVIEW

Members considered a report that explored the future options for the Park & Ride service in Dartmouth, as the current contract for bus provision would end in early 2015. It also considered the longer term options for the service. The report summarised the views and debate of the various local consultees who have been involved in the preparation for the service options.

The Executive Portfolio Holder for Environment Services introduced the report. A local Ward Member advised that the contentious element was the proposed £100 charge for the Park & Ride permits. He went on to say that he was aware that the existing scheme had been abused. Organisations were working hard to find a solution and the town would benefit from ownership of the Park & Ride in due course. The Executive Portfolio Holder agreed that the Dartmouth Parking Group were working hard in this regard. Another Member stated that the original proposal to reduce the operating hours of the Park & Ride would have a devastating affect on the town.

One Member queried whether residents in the surrounding villages would continue to use the Park & Ride at a cost of £100 per annum. If the service had cost the council money, then it was money well spent towards making Dartmouth a viable hub.

Members discussed car parking charges and compared prices across the market towns. One Member stated that the Park & Ride should be supported as it encouraged behaviour change. She also suggested that a payment scheme to enable the permits to be paid for in instalments would be helpful as £100 was a lot of money at one time.

Finally, a Ward Member stated that these proposals did not stop the Park & Ride from operating but instead gave local people an opportunity to respond with local solutions.

It was then:

RESOLVED

That Council be **RECOMMENDED**:

1. That a tendering exercise be undertaken in respect of the provision of a Park & Ride service for 2015, with input from Dartmouth Town Council, BID and Business Forum;
2. That tenderers be requested to provide a quote for each of the three service options as attached at Appendix 1 of the presented agenda report. In addition, tenderers would be given the opportunity to propose alternative solutions to give additional value to the service; and

3. To amend the Residents Car Parking scheme which currently allows permit holders to use the Park & Ride service free of charge and, instead, for Dartmouth Park & Ride permits to be available at a cost of £100 per annum.
4. To provide the extended Dartmouth Regatta Park & Ride service from the rugby fields located next to the Park & Ride site from 2015, rather than from Venn Lane fields, in order to make further financial savings, as detailed in Appendix 2 of the presented report.

E.52/14 REPORTS OF OTHER BODIES

RESOLVED

That the following be received and that any recommendations contained therein be approved:

- a) **Community Life and Housing Scrutiny Panel – 6 November 2014**
- b) **Economy and Environment Scrutiny Panel – 13 November 2014**

EE.26/14 FEES AND CHARGES 2015/16

Members had a discussion on this item and it was suggested that a Task and Finish Group be set up to look into the fees and charges of the Dartmouth Lower Ferry.

RESOLVED

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

1. the introduction of a charge of £75 from 18 December 2014 for the site owners of mobile homes for the depositing, variation and deletion of site rules be approved, with an annual review thereafter;
2. the proposed fees and charges set out in the presented report be approved as part of the budget setting process for 2015/16; and
3. a letter be sent on behalf of the Council to Westminster Council in support of their legal appeal relating to charging for licensing enforcement activities.

c) **Corporate Performance and Resources Scrutiny Panel –
20 November 2014**

(NOTE: THESE DECISIONS, WITH THE EXCEPTION OF MINUTE E.45/14, E.47/14 (part 3), E.50/14 (part 2), E.51/14 and E.52/14(b) WHICH ARE RECOMMENDATIONS TO THE COUNCIL MEETING TO BE HELD ON 18 DECEMBER 2014, WILL BECOME EFFECTIVE FROM 5.00PM ON MONDAY 22 DECEMBER 2014 UNLESS CALLED IN, IN ACCORDANCE WITH SCRUTINY PROCEDURE RULE 18).

(Meeting commenced at 10.00 am and concluded at 12.25 pm)

Chairman