

West Devon Hub Committee



West Devon
Borough
Council

Title:	Agenda
Date:	Tuesday, 1st December, 2015
Time:	2.00 pm
Venue:	Chamber - Kilworthy Park
Full Members:	<p style="text-align: center;">Chairman Cllr Sanders Vice Chairman Cllr Baldwin</p> <p><i>Members:</i> Cllr Benson Cllr Parker Cllr Cann OBE Cllr Sampson Cllr Moody Cllr Samuel Cllr Oxborough</p>
Interests – Declaration and Restriction on Participation:	Members are reminded of their responsibility to declare any disclosable pecuniary interest not entered in the Authority's register or local non pecuniary interest which they have in any item of business on the agenda (subject to the exception for sensitive information) and to leave the meeting prior to discussion and voting on an item in which they have a disclosable pecuniary interest.
Committee administrator:	Member.Services@swdevon.gov.uk

1. Apologies for absence

2. Declarations of Interest

Members are invited to declare any personal or disclosable pecuniary interests, including the nature and extent of such interests they may have in any items to be considered at this meeting.

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

3. Items Requiring Urgent Attention

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

4. Confirmation of Minutes

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Minutes of meeting held 27 October 2015

5. Draft Revenue Budget Proposals and Draft Capital Programme Proposals for 2016/17

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Report of COP Lead Specialist Finance

6. Devolution Draft Proposal

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Report of Executive Director (Strategy & Commissioning)

7. T18 Budget Monitoring

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Report of Support Services Group Manager & COP Lead Specialist Finance

8. Revenue Budget Monitoring

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Report of Finance Business Partner

9. Capital Programme Monitoring

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Report of Capital Accountant

10. Business Development Opportunities - Devon Building Control Partnership - Provision of New Homes Warranties

151 - 160

Report of Group Manager Business Development and Head of Building Control Partnership

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11. Enforcement Policy Report of Lead Specialist Legal	161 - 184
12. Review of Brook Street Car Park Report of Operations Manager (Environment Services)	185 - 188
13. Minutes of Overview and Scrutiny (External) Committee - 17 November 2015	189 - 196

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Agenda Item 4

At a Meeting of the **HUB COMMITTEE** held at the Council Chamber, Council Offices, Kilworthy Park, Drake Road, **TAVISTOCK** on **TUESDAY** the **27th** day of **OCTOBER 2015** at **2.00pm**

Present:
Cllr P R Sanders – Chairman
Cllr R E Baldwin – Vice-Chairman
Cllr M J R Benson Cllr J B Moody
Cllr R J Oxborough Cllr G Parker
Cllr R F D Sampson

In attendance: Executive Director (Strategy and Commissioning)
Executive Director (Service Delivery and Commercial Development)
Group Manager – Business Development
Lead Specialist – Housing, Revenues & Benefits
Case Manager – Housing, Revenues & Benefits
Specialist – Place and Strategy
S151 Officer
Senior Case Manager

Other Members in attendance:

Cllrs D W Cloke; C N Edmonds; J Evans; A F Leech; J McInnes; D E Moyse; C R Musgrave; T G Pearce; D K A Sellis and B Stephens

***HC22 APOLOGIES FOR ABSENCE**
Apologies were received from Cllr W G Cann OBE and Cllr L Samuel.

***HC 23 DECLARATIONS OF INTEREST**
Members were invited to declare any interests in the items of business to be discussed but none were made:

***HC 24 URGENT BUSINESS**
The Chairman advised that he had asked the Localities Manager to attend to update Members following a situation that had arisen at South Hams District Council, in relation to publicity material relating to Locality Officers. The Localities Manager presented a copy of the proposed publicity material to Members and sought their views. Members had suggestions for minor amendments, but on the whole were content with the material and did not feel the need for a further meeting to discuss this. The Localities Manager also responded to questions relating to the role of the Localities Officers. The Lead Specialist Communications and Media confirmed that press material would be issued on the Locality model once the new systems had settled.

***HC 25**

PROCUREMENT OF WASTE CLEANSING CONTRACT 2017

The Lead Member for Commercial Services and Contracts presented a report that sought approval to commence the tender process for the waste and cleansing contract, which would not compromise the parallel work to be carried out over the next few months relating to alternative delivery options.

It was then **RESOLVED** that:

1. Commencement of the tender process for the waste and cleansing contract be approved;
2. The procurement process be overseen by the Waste Working Group and reports on progress be regularly presented to the Hub Committee; and
3. Any changes considered necessary to the terms as highlighted be delegated to the Lead Specialist Recycling and Waste in consultation with the Lead Hub Member for Commercial Services and Contracts.

***HC 26**

DEVON BUILDING CONTROL PARTNERSHIP

The Chairman advised that 'Item 6: Devon Building Control Partnership' would be deferred from this agenda and presented to the next meeting of the Hub Committee on 1 December 2015.

HC 27

BUSINESS DEVELOPMENT – ASSET MANAGEMENT STRATEGY

The Lead Member for Environment presented a report that recommended to Council that the updated Asset Management Strategy, as appended to the report, be approved.

Members discussed the Scheme of Delegation as shown in the report and asked that this be reviewed to determine whether the Leader or Lead Member would be more appropriate. As a result of the discussion the recommendation was amended.

It was then **RECOMMENDED** that Council be **RECOMMENDED** to approve the updated Asset Management Strategy as detailed in Appendix One to the presented report, subject to a Scheme of Delegation review to be presented to the Annual Meeting of Council in May 2016.

***HC 28**

NEIGHBOURHOOD PLAN PROCEDURES

The Lead Member for Strategic Planning and Housing presented a report that sought delegation to agree subsequent stages of the Neighbourhood Planning Process, in line with the previously agreed delegation to agree the Designation of Neighbourhood Plans.

It was then **RESOLVED**

1. That authority to approve the Neighbourhood Plan procedures as set out in Appendix 1 be delegated to the Lead Specialist – Place and Strategy in consultation with the Lead Hub Member for Strategic Planning and Housing and the Ward Member (s) for the designated Neighbourhood Plan area; and
2. Subject to approval of recommendation 1, making appropriate changes to the Council’s Neighbourhood Planning Protocol be agreed.

***HC 29**

MEDIUM TERM FINANCIAL STRATEGY

The Leader presented a report that provided Members with the annual review of the Council’s Medium Term Financial Strategy (MTFS). It was based on a financial forecast over a rolling five year timeframe to 2020/21, which would help to ensure resources were aligned to the outcomes in Our Plan.

The COP Lead Finance answered a number of questions relating to the detail within the report. Members discussed the increase in financial risk and the volatility that could arise from changes to business rates legislation. Members also expressed the view that the capital budget for affordable Housing of £550,000 plus the uncommitted New Homes Bonus amounts of £63,000 (in year 15/16) and potentially £317,000 (in 16/17) should be put to use, by investing in the residential sector, for example. This would increase the capital value. The Group Manager – Business Development had been asked to present a report containing options for consideration early in the New Year. Finally, Members agreed to accept the recommendations of the Overview and Scrutiny (Internal) Committee arising from their meeting on 6 October, 2015, and amended their resolution accordingly.

It was then **RESOLVED** that the Hub Committee had considered the five year Medium Term Financial Strategy and provided an indication of the budget principles to be adopted, with particular reference to:

- a) the level of council tax increase being 1.99%;
- b) the use of New Homes Bonus to support the revenue budget;
- c) the amount of Council Tax Support Grant to be passed on to Parish and Town Councils be reduced by 11.2%;
- d) Other income generation and budget savings; and
- e) Maintaining the current Council policy on the minimum level of unearmarked reserves being £750,000; and
- f) The anticipated 2016/17 budget surplus (£571,177) being ringfenced for future income generation opportunities and held in an earmarked reserve for that purpose.

HC 30

COUNCIL TAX RESOLUTION

The Leader presented a report that sought agreement to continue with the existing Council Tax Reduction scheme for 2016/17 and for delegated authority to be given to the Finance Community of Practice Lead, in consultation with the Portfolio Holder, to make amendments to the policy document to take account of any further changes in law, government guidance or policy that required urgent amendment.

The Case Manager updated Members on the impact of the House of Lords decision the previous evening in relation to tax credit changes.

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

1. to agree to continue with the existing Council Tax Reduction Scheme for 2016/17:
 - 80% maximum liability restriction meaning that working age claimants pay a minimum of 20% towards their Council Tax bill
 - A property valuation band D restriction meaning that working age claimants living in larger properties do not receive greater levels of support than those living in small properties
 - An exceptional hardship fund to help those claimants experiencing severe financial difficulties;
2. That authority be delegated to the Finance Community of Practice Lead (s151 Officer), in consultation with the Portfolio Holder, to make amendments to the policy document to take account of any further changes in law, government guidance or policy that require urgent amendment.

***HC 31**

WRITE OFF REPORT

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

The COP Lead Finance outlined the detail of a specific case where a substantial sum of money was being written off. Members asked that the matter be referred to legal to ensure that every possible avenue to pursue the debt had been explored.

It was then **RESOLVED** that:

1. The write off by the s151 Officer of individual West Devon Borough Council debts totalling £20,949.61, as detailed in Tables 1 and 2 of the presented report, be noted; and

2. The write off of individual debts in excess of £5,000, totalling £19,658.78 as detailed in Table 3 of the presented report be approved.

***HC 32 MINUTES OF OVERVIEW AND SCRUTINY (INTERNAL) COMMITTEE HELD 6 OCTOBER, 2015**

The minutes of the Overview and Scrutiny (Internal) Committee were presented for approval, including the recommendation which had been addressed elsewhere on the agenda under Item 9 Medium Term Financial Strategy (Minute *HC29 refers).

It was then **RESOLVED** that the minutes be noted.

(The Meeting terminated at 4.30 pm)

Dated this

Chairman

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Report to: **Hub Committee**
Date: **1 December 2015**
Title: **Budget Proposals Report 2016/17**
Portfolio Area: **Support Services – Cllr Cann OBE**
Wards Affected: **All**
Relevant Scrutiny Committee: **Internal**
Urgent Decision: **N** Approval and clearance obtained: **Y**

Author: **Lisa Buckle** Role: **Finance Community of Practice Lead**

Contact: **Tel. 01803 861413 Email: lisa.buckle@swdevon.gov.uk**

Recommendations:

It is recommended that the Hub Committee:-

- 1) Notes the contents of the latest Budget Report for 2016-17
- 2) Instructs officers to develop a strategy to deliver the best use of the affordable housing capital budget of £550,000 and the uncommitted New Homes Bonus amounts of £63,000 (in year 15/16) and potentially £317,000 (in 16/17) as per 6.9 and 7.3
- 3) Supports the principle of an appropriately graded shared post being employed to focus on Economic Development, with the target of the post being self-financing within two years, as per 6.9.

Recommends to Council that

- 4a) Car parking charges are frozen for 2016-17 as set out in Appendix F*
- 4b) The fees for the Environmental Health Community of Practice are as per Appendix F
- 4c) Delegated authority is given to the Community of Practice Lead for Environmental Health in consultation with the Lead Member, to modify the charges of Food Export Certificates, once the outcome of the current review is known.

*For clarification - There is a separate item on the Hub Committee agenda to implement long stay parking on the top two decks of Brook Street car park in Tavistock.

1. Executive summary

- 1.1 The Council’s Medium Term Financial Strategy (MTFS) is based on a financial forecast over a rolling five year timeframe to 2020/21 which will help ensure resources are aligned to the outcomes in Our Plan. ***The changes to the Budget Report from the last Budget report to the Hub Committee on 27th October 2015 are shown in detail in Section 5.14 and 5.15.***
- 1.2 The forecast is intended to provide a framework within which decisions can be made regarding the future service provision and council tax levels whilst building an approach that guarantees West Devon Borough Council’s longer term viability.
- 1.3 Local authorities have faced unprecedented reductions in Government funding since the Comprehensive Spending Review 2010. The Queen’s Speech in May stated that the government will “continue the work of bringing the public finances under control and reducing the deficit, so that Britain lives within its means”. The Summer Budget on 8 July 2015 has confirmed this and is likely to mean significant financial reductions particularly over the next two to three years until the government achieves its aim of running a budget surplus by 2019/20.
- 1.4 By the end of 2015/16, the Council’s grant funding (Revenue Support Grant) will have reduced by over 45% from 2013. The economic backdrop continues to be challenging, resulting in significant on-going reductions in Government funding, with the Council needing to focus on long term financial planning.
- 1.5 In response, in 2013 the Council alongside its shared services partner, South Hams District Council, approved an innovative Transformation Programme (T18). This is delivering a new operating model to ensure that both Councils can continue to deliver quality services for its customers and communities. An investment budget of £2.83 million has been approved, to deliver annual recurring revenue savings of £1.64 million. The payback period for the Programme is 2.75 years. The Transformation Programme has received the backing of Central Government with an award of £266,000 of Government funding.
- 1.6 The following table illustrates the predicted budget (surplus)/gap from 2016/17 onwards for the Borough Council as shown in Appendix B1:

	2016/17	2017/18	2018/19	2019/20	2020/21
	£	£	£	£	£
Annual budget (surplus)/gap	(570,377) surplus	85,320 gap	313,203 gap	98,859 gap	346,353 gap
TOTAL BUDGET GAP OVER THE FIVE YEARS TO 2020/21					£273,358

Section 6.3 gives more details of the key assumptions regarding these figures. The budget surplus in 2016/17 of £570,377 is available for reinvestment (on a one-off basis rather than annually) in the Council's priorities, projects or as a contribution into Earmarked Reserves or the Council's Capital Programme.

- 1.7 If New Homes Bonus (NHB) were to be used as outlined in 7.3 of the report, this would mean that there would potentially be £317,087 of NHB which is uncommitted in 2016/2017 (with an additional £63,303 being uncommitted from 2015/16). This assumes that £1 million of NHB will be used annually to support the Revenue Base Budget.
- 1.8 It is not known how the forthcoming Spending Review 2015 (SR2015) will affect New Homes Bonus and whether there will be any policy changes affecting NHB. There is no doubt that an ending or phasing out of New Homes Bonus would have a very significant budgetary impact on Shire Districts (such as West Devon) in particular.
- 1.9 Whilst there remains a great deal of uncertainty about various elements of income and expenditure, the forecast has been based 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.
- 1.10 The Council's approach to financial planning over the medium term will include a focus on income generation and commercial opportunities. This will strengthen the position of the Borough Council by developing financial resilience through less exposure to reductions in Government funding.
- 1.11 The Council's Medium Term Financial Strategy was considered by the Overview and Scrutiny Committee on 6th October 2015. Minute O&S(I) 26 from the meeting refers.
- 1.12 On 27th October the Hub Committee Members agreed to accept the recommendations of the Overview and Scrutiny (Internal) Committee arising from their meeting on 6 October, 2015, and amended their resolution accordingly. Below is a copy of the minute from the meeting:-

***HC 29 MEDIUM TERM FINANCIAL STRATEGY (MTFS)**

The Leader presented a report that provided Members with the annual review of the Council's Medium Term Financial Strategy (MTFS). It was based on a financial forecast over a rolling five year timeframe to 2020/21, which would help to ensure resources were aligned to the outcomes in Our Plan.

***HC 29 MEDIUM TERM FINANCIAL STRATEGY (MTFS) - continued**

The COP Lead Finance answered a number of questions relating to the detail within the report. Members discussed the increase in financial risk and the volatility that could arise from changes to business rates legislation.

Members also expressed the view that the capital budget for affordable Housing of £550,000 plus the uncommitted New Homes Bonus amounts of £63,000 (in year 15/16) and potentially £317,000 (in 16/17) should be put to use, by investing in the residential sector, for example. This would increase the capital value. The Group Manager – Business Development had been asked to present a report containing options for consideration early in the New Year. Finally, Members agreed to accept the recommendations of the Overview and Scrutiny (Internal) Committee arising from their meeting on 6 October, 2015, and amended their resolution accordingly.

It was then **RESOLVED** that the Hub Committee had considered the five year Medium Term Financial Strategy and provided an indication of the budget principles to be adopted, with particular reference to:

- a) the level of council tax increase being 1.99%;
- b) the use of New Homes Bonus to support the revenue budget;
- c) the amount of Council Tax Support Grant to be passed on to Parish and Town Councils be reduced by 11.2%;
- d) Other income generation and budget savings; and
- e) Maintaining the current Council policy on the minimum level of unearmarked reserves being £750,000; and
- f) The anticipated 2016/17 budget surplus (£571,177) being ringfenced for future income generation opportunities and held in an earmarked reserve for that purpose.

2 ASSUMPTIONS FOR FINANCIAL MODELLING PURPOSES

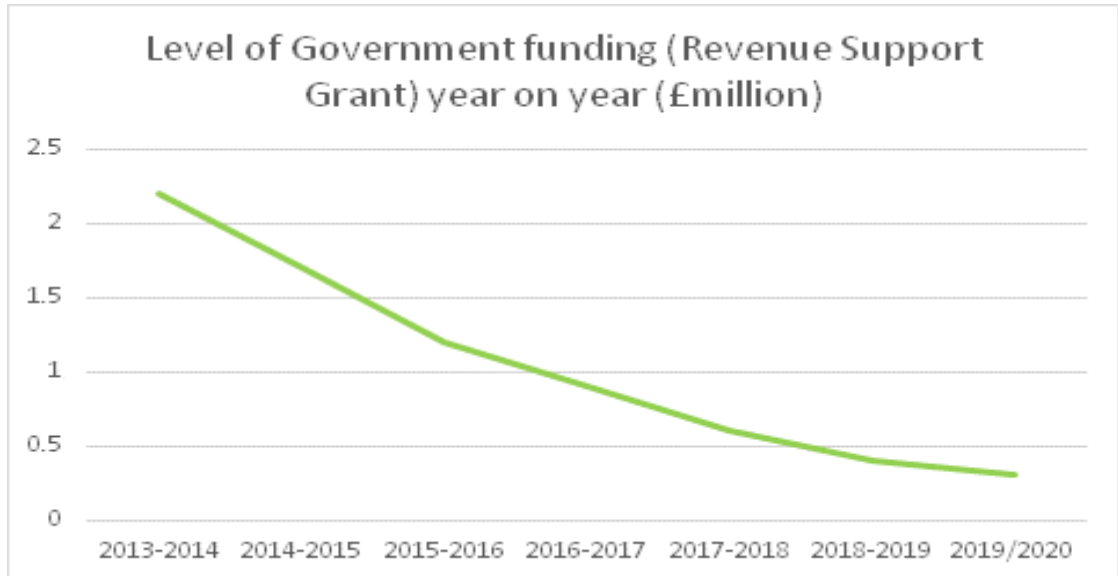
- 2.1 A two year employee pay settlement has been agreed which effectively equates to 1% in 2014/15 and a further 1.2% in 2015/16 for most employees. Future levels of pay settlement will be determined by national negotiation between the Local Government Employers and the Trade Unions. The Summer Budget 2015 did announce the context of a limiting of pay awards to 1% for the period 2016/17 to 2019/20. A budget provision of 1% for 2016/17 onwards has been modelled. The MTFS is not an expression of Council Policy on pay awards, but a means of ensuring an appropriate provision is made as part of the overall financial planning of the Council.

- 2.2 The MTFs assumes inflation will run at 2% (Government target) over the five year period. The Retail Price Index (RPI) at September 2015 was 0.8% and Consumer Price Index was -0.1%. An annual cost pressure of £60,000 has been included. This is partly to allow for an expected increase in business rates from the revaluation due in 2017.
- 2.3 The predicted interest rate forecast from our treasury management advisors, Sector, is shown below. The Council's budgeted investment income in 2015/16 is £40,000. It is assumed that the interest rate return for our investments will average 0.75 % for 2016/17 rising to 1.5% by 2018/19 as shown below:-
- | | | |
|---------|---|-------|
| 2016/17 | - | 0.75% |
| 2017/18 | - | 1.00% |
| 2018/19 | - | 1.50% |
- 2.4 Two scenarios have been modelled for council tax purposes. The financial modelling in Appendix B1 assumes a Band D council tax increase of 1.99% annually. This means an increase to £212.53 in 2016/17. The financial modelling in Appendix B2 assumes that council tax is frozen for 2016/17 onwards and that a 1% freeze grant is built into the Settlement Funding Assessment (SFA) on an on-going basis. There is no confirmation whether this would be the case annually.
- 2.5 The assumed forecast reductions in Revenue Support Grant (RSG) are as follows (see 3.1 and 3.2):

	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £
Revenue Support Grant (2015/16 RSG was £1.215m):	0.892m	0.621m	0.371m	0.311m	Nil
% reduction	27%	30%	40%	16%	100%
TOTAL REDUCTION OVER THE FIVE YEARS TO 2020/21					£1.215m

3. GOVERNMENT FUNDING

- 3.1 The Government announced the figures for 2015-16. This was a one year settlement for 2015/16 only. No indicative funding levels have been published for 2016/17 onwards. The Revenue Support Grant was £1.215 million for 2015/2016. The next Spending Review is not due until 25 November 2015 and detailed local government information at authority level for 2016/17 is unlikely to be available until the Provisional Local Government Settlement is announced in December 2015. The graph below shows how Revenue Support Grant has fallen since 2013-14.



- 3.2 Spending Review 2015 (SR2015)** - In July 2015, the Chancellor of the Exchequer published a policy paper, 'Spending Review 2015' – A country that lives within its means. It sets out the Government's approach to SR2015. The Chancellor of the Exchequer, George Osborne said:

This Spending Review (2015) is the next step in our plan to eliminate the deficit, run a surplus and ensure Britain lives within its means. We'll invest in our priorities like the NHS and national security. Elsewhere in government, departments will have to find significant savings through efficiencies and by devolving power, so people have a greater say over the issues that affect them and their communities. We'll deliver more with less.

The Spending Review will be set out on 25 November.

- 3.3 Retained Business Rates** - The Government introduced the Business Rates Retention system from April 2013. There is a risk of volatility in the system because Councils are exposed to any loss of income if businesses go into decline. However, Authorities can voluntarily form a 'pool'. Pooling mitigates each Authority's exposure to Business Rate income volatility as the risks are spread over a larger pool.

In 2014/15 the Council received £39,927 as a pooling gain. This was additional business rates income generated as a consequence of being part of the Devonwide Business Rates pool. In line with good financial management principles, a provision has been made in the Accounts for likely refunds of business rates as a result of appeals, against the rateable value of business properties. The appeals provision is based on the total value of outstanding appeals at the year end as advised by

the Valuation Office Agency and on advice from them about the likely success rate of appeals.

The Council's Business Rates Gross amount payable has increased from £9.8 million in 2011/12 to £10.6 million in 2015/16. Therefore over the last 4 years, the Borough Council's business rates base has grown on average by 2% per annum.

Of the Business Rates collected of £10.6 million, the Council is predicted to retain in funding only £1.579 million of this in 2015/16. So the Borough Council retains approximately 15 pence in every £1 to run our services. In 10.7 and 10.8 the Medium Term Financial Strategy refers to Devolution and part of any Devolution offering to Government could be around the share of Business Rates retained.

3.4 **Business Rates Revaluation** - There will be a Business Rates Revaluation which will go live on 1 April 2017.

3.5 **Income from Council Tax** – The Borough Council increased council tax by 1.9% for 2015/16 to £208.39 for a Band D property for West Devon. This amounted to a £3.89 increase on an average Band D property over a year equivalent to 7p a week. *A 1% increase in Council Tax generates an extra £40,000 in extra council tax income per annum.* The total income from Council Tax equates to £4.05 million in 2015/16 as per Appendix B1.

3.6 **Council Tax** – The table below shows how an average Band D council bill is made up for West Devon Borough Council for the last two years:

Precepting Authority	Band D Council Tax 2014/15	Band D Council Tax 2015/16	£ Increase	% Increase
West Devon Borough Council	£204.50	£208.39	£3.89	1.9%
Devon County Council	£1,138.59	£1,161.27	£22.68	1.99%
Devon & Cornwall Police	£166.16	£169.47	£3.31	1.99%
Devon & Somerset Fire & Rescue	£76.89	£78.42	£1.53	1.99%
Average Parish /Town Council	£57.31	£60.77	£3.46	6.04%
TOTAL	£1,643.45	£1,678.32	£34.87	2.12%

West Devon Borough Council's share of the council tax bill in 2015/16 was **12%**, being £208.39 out of an average Band D council tax bill of £1,678.32.

- 3.7 **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 to be excessive. The Government announced that council tax increases of 2 per cent or over will be subject to a council tax referendum for 2015/16. This did not apply to Towns or Parishes in 2015/16. As at November 2015, there is no formal indication of what a referendum limit might be for 2016/17.
- 3.8 **Council Tax Freeze Grant** - In 2015/16 a 1% Council Tax Freeze Grant offer for 2015/16 was made. The indicative Council Tax Freeze Grant for 2015/16 was £42,000. The Borough Council chose to increase council tax in 2015/16. Again no details are yet known about any council tax freeze grant offer for 2016/17.
- 3.9 **Collection Fund Surplus** – At the end of March 2015, the Council has a balance on its Collection Fund (council tax collection fund) of £1.74 million. This will be distributed in 2016/17, which means that the Borough Council's share of the distribution is £280,000 which is funding available towards the 2016/17 Budget.
- 3.10 **On 5 October 2015, the Chancellor unveiled 'devolution revolution'**. This set out major plans to devolve new powers from the Government to local areas to promote growth and prosperity. The main announcement was that by the end of Parliament, local government will be able to retain 100 per cent of local taxes – including all £26 billion of revenue from business rates by 2020 – to spend on local government services.
- 3.11 Announced alongside this was that the core grant from Government (Revenue Support Grant) will be phased out. This is in tandem with the assumptions made in the Medium Term Financial Strategy that the Revenue Support Grant will be reduced to zero by 2020 (see 2.5 and 3.1).
- 3.12 It was also announced that local government will take on new responsibilities. More detail on the new responsibilities will be announced in the Spending Review on 25 November. *A verbal update will be provided at the meeting.* The announcement also said that 'Local authorities will be able to cut business rates as much as they like'. This is significant new powers for local authorities.
- 3.13 Until more detail is released in the Spending Review on the items announced, it is not known what financial impact the announcement will have on the Borough Council for either 2016/17 or future years. It could take a year or so for the mechanics of how the full retention of business rates system would work to be known, and what that would mean financially for all tiers of local government.

4 THE COUNCIL'S STRATEGIC PRIORITIES – OUR PLAN

- 4.1 In February 2015, the Council published 'Our Plan'. This new strategic plan for West Devon set out the vision, long term priorities and planning policies for the area to 2031 as below:-

***West Devon - A Leading Rural Council
Thriving Towns and Villages***

Enhancing the quality of life for individuals and communities

- 4.2 Through Our Plan we are striving to achieve communities that have access to housing, employment, services and facilities that meet their needs, communities that are resilient, safe and able to make choices about their future. Our communities are places where businesses can develop and grow. We want to ensure Our Plan makes a positive contribution to the equality, fairness and spiritual wellbeing of our communities.
- 4.3 How we will achieve Our Vision is defined in each policy area and through the actions set out in our Annual Delivery Plan. We will measure the progress we are making by how well we are meeting our objectives, actions and targets and the impact all this is having on the people and places of West Devon.

The Plan's Objectives are:-

Our Wellbeing
Our Communities
Our Homes
Our Economy
Our Infrastructure
Our Environment
Our Heritage
Our Resources

The full document can be accessed on <http://www.westdevon.gov.uk/ourplan>

5 BUDGET PRESSURES FOR 2016/17 ONWARDS

- 5.1 Financial modelling has been undertaken for the next five years to predict the Council's financial situation for the short and medium term.
- 5.2 **Appendix A** to the Medium Term Financial Strategy sets out the Budget Pressures forecast for the next five years and the additional savings and income forecast. A description of the larger budget pressures are set out below.

- 5.3 **Waste services contract** - There is a need to prepare for a potential uplift in the cost of the waste services contract based upon the indicated requirement for an additional waste round. This resource cost was absorbed by the contractor during the lifetime of the current contract due to the previously tendered rate.
- 5.4 The budget pressure in the Medium Term Financial Strategy (£300,000 for 2017/18 onwards) is the worst case scenario as there will be the opportunity to better the cost depending on the delivery vehicle chosen and the ability to charge for elements of service delivery in future if necessary. The figure is based upon current market rates for recycling materials which are constantly changing. This amount will be tested during the waste review process and so is indicative at this stage, based on known operational costs of the service 'as is'.
- 5.5 If a trading model is chosen for the delivery of the waste collection and cleansing services then there is an opportunity to further expand related services which may be sold to generate additional income. E.g. trade waste and trade recycling services. A one-off cost pressure for £80,000 has also been built into the Financial Strategy for a specialist resource to assist with the waste and cleansing options review and delivery and a further temporary staffing resource.
- 5.6 **Our Plan** - A report on Our Plan was considered by the Hub Committee on 22th September 2015. Minute (HC 14) recommended that a provision for 2016/17 of £75,000 is made for Our Plan. This is a one-off cost for 2016/17 for the cost of the examination in public, preparation of documents and in house costs.
- 5.7 **National Insurance** - There will be increased National Insurance (NI) contributions for employers effective from 2016/17. The extra cost to West Devon is £60,000 annually.
- 5.8 The Summer Budget 2015 also announced plans for a National Living wage for the over 25s of £7.20 per hour from 2016/17 increasing to £9.00 per hour by 2020. The number of Council employees affected are within single figures and therefore a provision has been included within the overall pay award budget provision.
- 5.9 **Triennial Pension revaluation** - The Local Government Pension Scheme (LGPS) was last subject to its triennial review in 2014/15. The next valuation impact is in 2017/18 and it is likely to add an additional cost pressure.
- 5.10 **Homelessness Grant** – The Council currently receives £50,000 per annum in a Homelessness grant. It is possible that this will cease in 2016/17 and therefore provision has been made within the budget for the Council to continue with homelessness prevention activity.

- 5.11 **Trading company** – The Council will need to engage specialist advice for legal and financial services in order to set up a trading company. Actuarial advice will also need to be taken from the Devon Pension Fund's actuaries. A cost pressure of £75,000 has been included within the modelling.
- 5.12 **Tamar Estuaries Consultative Forum (TECF)** – West Devon Borough Council and South Hams District Council both currently contribute £3,635 to the Forum. It is proposed that both Councils increase this to £4,500 (an increase of £865 each – rounded to £1,000 for ease of modelling). TECF will bring support in producing Our Plan (see Section 4).

SAVINGS AND INCOME GENERATION

- 5.13 **Transformation Programme 2018 (T18)** – In 2016/17 the Council will make savings of a further £725,000 as outlined in the original Business Case. This is on top of the savings of £962,000 per annum which were already built into the base budget for 2015/16. Section 1.5 gives more detail. There is a separate report on this agenda for the T18 Budget Monitoring report. This shows that the predicted final spend (£2.766 million) is £64,000 less than the budget of £2.83 million.

CHANGES SINCE THE LAST BUDGET REPORT

- 5.14 The Medium Term Financial Strategy was considered by the Hub Committee on 27th October 2015. This showed a budget surplus in 2016/17 of £571,177. The figure has now changed to £570,377. The changes are as below:-

<i>Budget Surplus reported in the Medium Term Financial Strategy on 27th October 2015</i>	<i>£(571,177)</i>
Additional saving identified on revenues and benefits recoveries (See A below)	£(30,000)
Additional saving on 'Other Staffing expenses' (See B below)	£(60,000)
Reduce the savings target on Kilworthy Park running costs (See C below)	£45,000
Reduce the recycling credits income target for 2016/17 by a further £45,800. (See D below)	£45,800
(This is increasing the reduction in the recycling credits income target from £44,200 in the Medium Term Financial Strategy to £90,000 in this budget report)	
<i>Revised Budget Surplus reported in the Budget Report on 1st December 2015</i>	<i>£(570,377)</i>

- 5.15 The items identified in the table above are a result of the Management Actions identified in the Revenue Budget Monitoring report for 2015/16. This is a separate report on this agenda.

Below is an explanation of each of these changes since the last budget report:-

- A. **Housing Benefit recovery of overpayments** – Additional income identified from the recovery of overpayments (budgeted expenditure for Housing Benefit in 2015/16 is £13 million). A saving of £30,000 annually has been identified for this.
- B. **Other Staffing Expenses** – There is a predicted underspend of £60,000 on staff related expenditure such as travel, subscriptions and other associated costs. This can be built into 2016/17 as a permanent recurring annual saving. Following the Council's Transformation Programme, the staffing workforce is 30% smaller with all staff roles changing to be flexible and responsible to the needs of the customer.
- C. **Kilworthy Park** – In the T18 Business Case, it was anticipated that there would be £65,000 of reduced running costs at Kilworthy Park due to agile working, smarter use of energy and utilities and the workforce occupying less space. These savings have not yet been realised to this extent, although work has been done on re-procuring some of the utilities costs. It is recommended that the savings target on reduced running costs of £65,000 is reduced by £45,000 to £20,000.
- D. **Recycling Credits** – Devon County Council has taken West Devon's leaf sweepings and garden waste into the County contract and has ceased paying recycling credits on this material. As has been previously reported, a phasing into the DCC contract was negotiated to minimise the budgetary impact. This has resulted in a loss of income gained from recycling credits from DCC, which is largely offset by West Devon no longer having to pay gate fees for composting the materials. The net loss for 2015-16 is around £50,000. In addition to this, Devon County Council no longer pay community groups for recycling credits for certain materials. This payment was administered by West Devon and then claimed back from the County. Any fall in income due to this is therefore offset by outgoing payments to community groups. Members will be aware that prices for recycling have dropped with the market changing significantly due to external factors. The overall drop in income predicted is £90,000 in total annually. A cost pressure of £44,200 was originally put into the Medium Term Financial Strategy for this and this now needs to be increased by £45,800 to £90,000.

6. OVERALL POSITION – BUDGET (SURPLUS)/GAP

6.1 **Appendices B1 and B2** illustrate the overall financial forecast for the forthcoming five years. Although the Council's Net Budget is predicted to be in the region of £7.3 million in 2016/17, the Gross Expenditure of the Council is around £26 million.

6.2 A Summary forecast is shown below of the potential budget situation if all of the budget pressures and the savings and income generation in Appendix A were approved. It also shows the different situation if the Council Tax is increased by 1.99% (**shown in Appendix B1**) and if Council Tax is frozen (**shown in Appendix B2**). A 1% increase in Council Tax generates an extra £40,000 in extra income per annum.

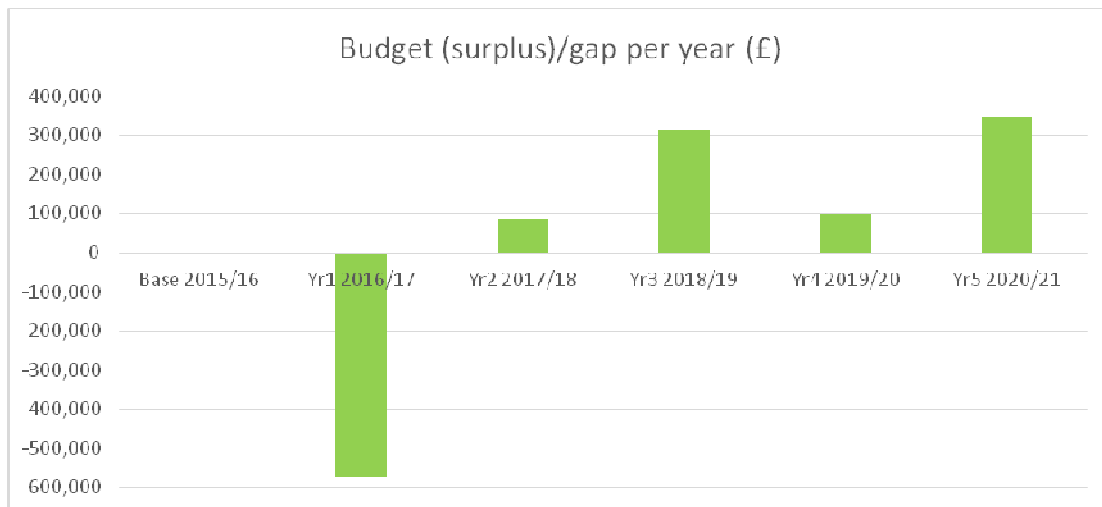
6.3 The following table illustrates the predicted budget (surplus)/gap from 2016/17 onwards for the Borough Council as shown in Appendix B1:

	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £
Annual budget (surplus)/gap	(570,377) budget surplus	85,320 budget gap	313,203 budget gap	98,859 budget gap	346,353 budget gap
TOTAL BUDGET GAP OVER THE FIVE YEARS TO 2020/21					£273,358

These budget gaps are the position based on two key assumptions:

- That a contribution from New Homes Bonus of £1 million per annum will continue to fund the Revenue Base Budget
- That the budget surplus in 2016/17 is treated as a one-off surplus and is reinvested in one-off items. This could be a one-off investment into a priority area, investment in a specific project or a one-off contribution to Earmarked Reserves or the Capital Programme. (If the £570,377 budget surplus is reinvested in annual year on year priorities/commitments, then this would increase the budget gap in 2017/18 from £85,320 to £655,697.

6.4 This is shown in graphical format below:

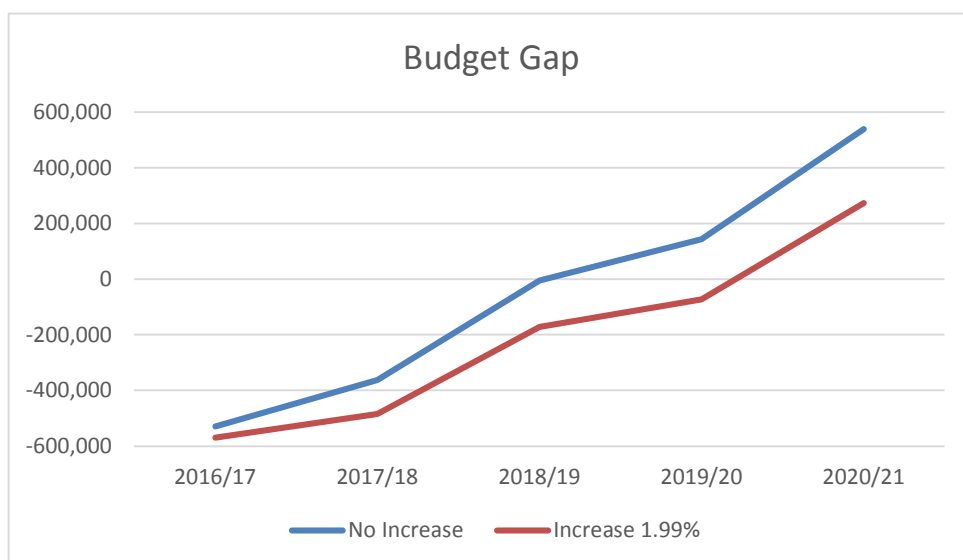


6.5 The report sets out an anticipated budget surplus for 2016-2017 of **£570,377** if Council Tax is increased by 1.99% as per Appendix B1. The budget surplus decreases to **£530,997** as per Appendix B2, if Council Tax is frozen for 2016/17.

6.6 *The budget surplus in 2016/17 is mainly as a result of the full amount of savings from the Council's Transformation Programme being realised by 2016/17 (see 5.13).*

6.7 In 2017/18 the Council moves into the position of having a budget gap again (of £85,320). Section 6.3 sets out the future years' budget gaps.

6.8 The graph below compares the Budget Gap if council tax is not increased (the higher line), to the Budget Gap if council tax is increased by 1.99% each year.



6.9 **Members' Budget Workshop** – On 20th October a Members' Budget Workshop was held. This was to give all Members the opportunity to influence and shape the budget setting process. The outcome of the meeting is attached at Appendix G. There are two recommendations in this report in relation to Appendix G and these are:-

- i) To instruct officers to develop a strategy for the best use of the affordable housing capital budget of £550,000 and the uncommitted New Homes Bonus amounts of £63,000 (in year 15/16) and potentially £317,000 (in 16/17) – as shown in Section 7.3. The affordable housing capital budget of £550,000 is an item within the report 'Capital Programme Monitoring report' on this agenda.
- ii) That Members support the principle of an appropriately graded shared post being employed to focus on Economic Development, with the target of the post being self-financing within two years. The approximate cost of this would be in the region of £16,000.

6.10 Work is currently being undertaken within the Finance team to redesign the budgets for 2016-17 into the Council's new T18 structure of Strategy and Commissioning, Customer First, Commercial Services and Support Services. Appendix B3 shows an initial view of how this would look for 2016-17. However the Appendix does come with a caveat of the fact that this is currently work in progress and the Appendix is a draft version. Further detailed work will be carried out on this before the January 2016 budget report. This is to ensure that the split of the budgets between the four areas are correct.

6.11 The finance team are also undertaking a project to harmonise all of the codes used on both Councils' finance systems so that the codes are the same and prefixed with either a 'W' for West Devon and a 'S' for South Hams. For example the code for car parking could be W100 in West Devon and S100 in South Hams. This will assist self serve for budget holders and also assist joint reporting across both Councils where this is appropriate.

7 NEW HOMES BONUS (NHB)

7.1 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. New Homes Bonus is funded through a combination of central government funding (£250m per annum) and top-sliced Revenue Support Grant (the balance each year).

7.2 The table below shows an estimate of New Homes Bonus for the next five years.

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
2011/12	323,920	323,920				
2012/13	568,622	568,622	568,622			
2013/14	133,255	133,255	133,255	133,255		
2014/15	222,997	222,997	222,997	222,997	222,997	
2015/16	248,975	248,975	248,975	248,975	248,975	248,975
2016/17*		251,680	251,680	251,680	251,680	251,680
2017/18*			251,680	251,680	251,680	251,680
2018/19*				251,680	251,680	251,680
2019/20*					251,680	251,680
2020/21*						251,680
New Homes Bonus returned (See Note 1)	4,913					
Forecast NHB	1,502,682	1,749,449	1,677,209	1,360,267	1,478,692	1,507,375

*Predictions have been made based on an extra 200 properties per annum

Note 1 – New Homes Bonus (NHB) is top-sliced from Revenue Support Grant in advance. If the actual NHB allocations that Councils receive is less than the amount that has been top-sliced in advance, the Government return the unused element of the top-slice to Councils after the allocations to Councils have been made. The figures shown in this line is West Devon’s share of the returned NHB.

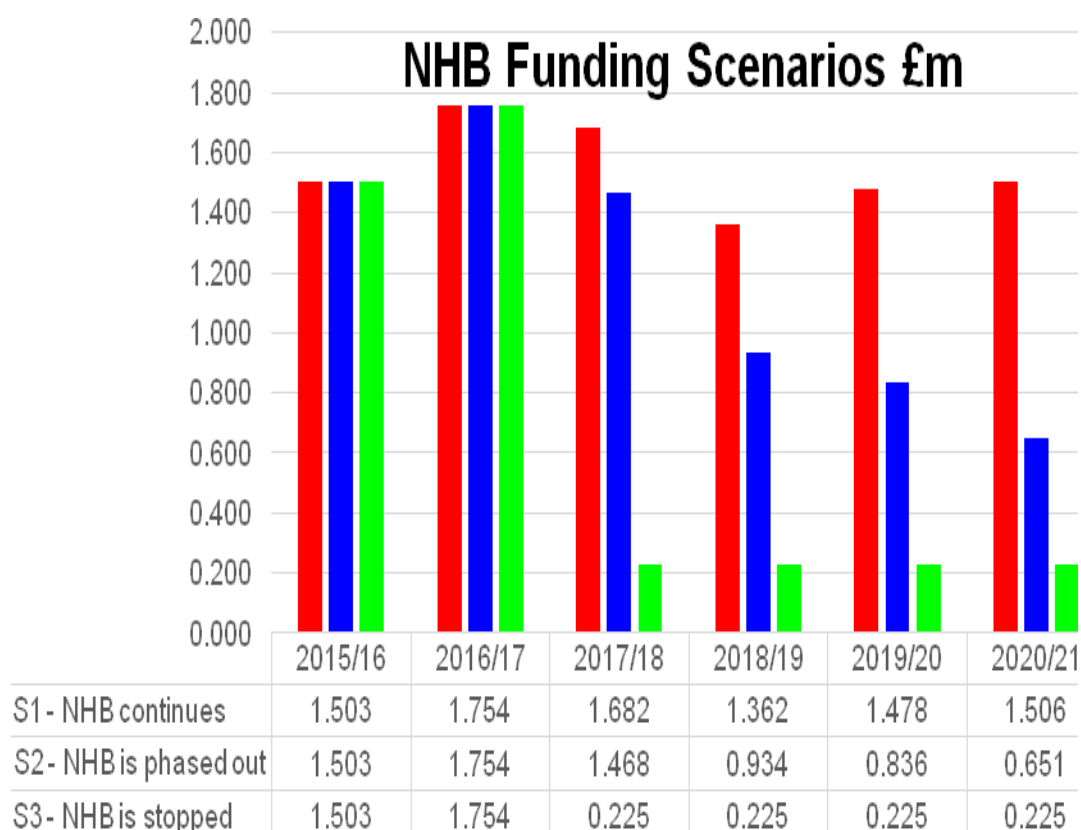
7.3 The table below shows the possible use of New Homes Bonus:

	2015/16 £	2016/17 £	2017/18 £	2018/19 £	2019/20	2020/21
Amount receivable	1,502,682	1,749,449	1,677,209	1,360,267	1,478,692	1,507,375
To fund the current Revenue Budget *	(1,224,769)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
To fund the Capital Programme (as per 8.1)	(212,000)	(412,000)	(412,000)	(412,000)	(412,000)	(412,000)
Dartmoor National Park (7.8)	(2,610)	(20,362)	(28,146)	TBA	TBA	TBA
Balance remaining (not committed)	63,303 remaining	317,087 remaining	237,063 remaining	(51,733) This is a shortfall	66,692 remaining	95,375 remaining

7.4 If New Homes Bonus were to be used as outlined in 7.3 above, this would mean that there would potentially be £317,087 of NHB which is uncommitted in 2016/2017 (with an additional £63,303 being uncommitted from 2015/16).

7.5 It is not known how the Spending Review 2015 (SR2015) will affect New Homes Bonus and whether there will be any policy changes affecting NHB.

7.6 The modelling below shows what might happen if there is a policy change on New Homes Bonus in the future. There is no doubt that an ending of New Homes Bonus would have a very significant budgetary impact on Shire Districts (such as West Devon) in particular.



Key

Red Line = S1 – NHB continues without any policy change

Blue Line = S2 – NHB is gradually phased out from 2016/17 (policy change)

Green Line = S3 – NHB is stopped from 2016/17 onwards (policy change)

7.7 S1 shows the current level of NHB expected to be received with no policy changes and agrees to Section 7.2. Lines S2 and S3 show the decrease in New Homes Bonus levels if NHB is phased out or stopped. So by example in 2020/21, NHB is expected to be £1.5 million. This could reduce to £0.651 million if NHB is phased out or £0.225million if NHB is stopped. If scenario S2 happened, this would add £480,000 to the shortfall in 2018/19 –rising to an extra £760,000 by 2020/21.

7.8 **Dartmoor National Park (DNP)** – On an annual basis Dartmoor National Park request a share of the New Homes Bonus to reflect new homes delivered within the park. The money is used to support a local community fund and, for example, joint work through the rural housing enabler. Members considered this as part of the Budget process for 2015/16 and the following system is in place:-

- A one off payment is to be agreed on an annual basis based on actual completions.
- The allocation received by DNP are to be spent only within those parishes falling within the boundaries of the Borough Council.
- The agreed sum is transferred to an Earmarked Reserve called 'Community Investment Fund – Dartmoor National Park' and the DNP make an annual application to draw down funds as required in line with the process agreed for that fund.

7.9 Over the last year projects totalling £18,361 have been awarded grant aid by the Dartmoor National Park's 'Dartmoor Communities Fund 2014/15'. These were for:-

- i) Drewsteignton - £4,152 to repair two grade 2 listed hall's external doors
- ii) Lydford - £5,200 to support a traditional playground for younger children and a Multi-Use Games Area for older children.
- iii) Postbridge - £6,500 to support a water supply for the hall and to expand the car park with improved entrance.
- iv) South Tawton - £400 – renovate the interpretation Board
- v) Throwleigh - £1,060 – alterations to the World War II American steel Quonset hut (used as a village hall)
- vi) Yelverton - £1,049 – extend existing play equipment to meet the growing demand for additional play equipment.

8. CAPITAL PROGRAMME 2016/17 to 2020/21

8.1 The table below shows the proposed Capital Programme for 2016/17 and projected figures to 2020/21:

	2016/17	2017/18	2018/19	2019/20	2020/21
Tenants Incentive Scheme (TIS)	15,000	15,000	15,000	15,000	15,000
Village Halls and Community Projects	36,000	36,000	36,000	36,000	36,000
Affordable Housing (see Note 1)	200,000	200,000	200,000	200,000	200,000
Disabled Facilities Grants (see Note 2)	400,000	400,000	400,000	400,000	400,000
TOTAL CAPITAL PROGRAMME	651,000	651,000	651,000	651,000	651,000
Suggested method of funding the Capital Programme:					
Better Care funding towards Disabled Facilities Grants (see Note 2)	(239,000)	(239,000)	(239,000)	(239,000)	(239,000)
Potential funding from New Homes Bonus (Required to fund the Capital Programme)	412,000	412,000	412,000	412,000	412,000

Note 1 - The current level of capital funding allocated to the delivery of affordable housing is an annual contribution of £200,000. There is already a budget of £550,000 approved in the Capital Programme for affordable housing. National policies and funding strategies designed to deliver affordable housing have significantly changed in recent years with much greater reliance on the provision of affordable housing without public subsidy, primarily through the planning process.

Note 2 – From 2015/16, the funding for Disabled Facilities Grants will be from the Better Care Fund held by Devon County Council and funding will be passported to District Councils. Provisional allocations for 15/16 show an increase in contributions to £239,000. This level has been assumed for 2016/17 onwards.

- 8.2 The current machinery used to process our recyclate is owned by the Council (purchased via grant funding) and is reaching the end of its' life. The future processing of recyclable materials will be considered through the forthcoming waste review and the option of capital purchase of new machinery vs. other suitable options will be explored and reported back to Members.
- 8.3 The Capital Programme is set by the Council and may be funded by sale proceeds from the disposal of assets (capital receipts), external grants and contributions, directly from revenue or from borrowing.
- 8.4 As part of the Medium Term Financial Strategy (MTFS), it is 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.
- 8.5 **Prudential Borrowing** - The Council will consider the use of prudential borrowing to support capital investment to deliver services and will ensure that the full costs of borrowing are taken into account when investment decisions are made. The Council is currently procuring a new leisure contract to commence in 2016/17 and by April 2017 the Council's waste services will have been procured (see 5.3 to 5.5). Front line service delivery options requiring capital investment will therefore be explored using this model to provide the Council with the fullest range of future choice.

9. EARMARKED AND UNEARMARKED RESERVES

- 9.1 The Council's Net Budget will be £7.2 million in 2016/17. It is still recommended to retain the same policy of a maintaining a minimum level of Unearmarked Reserves of £750,000. The summary below shows the position at 31 March 2015:

The Use of Unearmarked Revenue Reserves	2014/15 £'000
Balance B/fwd 1.4.2015	1,023
Revenue Outturn Underspend predicted for 2015-16	70
Predicted Unearmarked revenue reserves at 31.3.2016	1,093
Predicted Earmarked revenue reserves at 31.3.2016 (see Appendix C)	732

The predicted level of unearmarked and earmarked revenue reserves as at 31 March 2016 total £1,825,000 as shown in Appendix C.

- 9.2 The Revenue Budget Monitoring report for 2015-16 is also an item on this Hub Committee agenda. *The report shows that the predicted underspend against the 2015/16 Budget set of £7.262 million is £70,000.*
- 9.3 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 £750,000 the following have been taken into account:
- The size of the authority
 - The volatility of some income and expenditure budgets due to a dependency on the weather, tourism and state of the economy
 - The risks faced by the Council with regard to funding unforeseen events
 - Uncertainty over future Government funding
 - Uncertainty over future New Homes Bonus allocations
- 9.4 The Unearmarked Reserves current balance of £1.023 million stands above the minimum balance of £0.75million and acts as a safeguard against unforeseen financial pressures.
- 9.5 **Specific Earmarked Reserves** - The level and commitments for each reserve are kept under review each year to make sure the committed balance is adequate for its purpose (in accordance with LLAP Bulletin 99, a guide on 'Reserves' from the Chartered Institute of Public Finance). A schedule of predicted Earmarked Reserves for 15/16 is shown in Appendix C. Earmarked Reserves are predicted to be £732,000 at the end of March 2016.

10 OTHER BUDGET ISSUES

- 10.1 **Council Tax Reduction Scheme** – Following Council Tax Benefit being abolished, Council in December 2013 approved the implementation of a cost neutral local Council Tax Reduction Scheme for 2014/15.
- 10.2 This scheme is a discount scheme rather than a state welfare benefit and means that working age claimants will pay a minimum of 20% towards their Council Tax bill. There will be an exception hardship fund to help those claimants experiencing severe financial difficulties.
- 10.3 These changes have the effect of reducing the council tax base not only for the Borough Council, but also for Town and Parish Councils, Devon County Council, The Police and Crime Commission and Devon and Somerset Fire Authority. Reductions in the Council Tax Base adversely affect a local authority's ability to raise income from Council Tax.

- 10.4 The Government is providing financial support for local authorities (Council Tax Support Grant) to assist them in dealing with the effects of the benefit changes on their Council Tax Base.
- 10.5 In the December 2013 Statement, the Minister reminded local authorities that within the funding for Council Tax Support Schemes there is an element to specifically reflect reductions in the parish tax base resulting from the introduction of Localised Support for Council Tax. He confirms that the funding is not separately identified because it is not ring-fenced. There is recognition that as caseloads change and schemes evolve, the amount that different parishes need will also change. There is also an expectation by the Government that billing authorities will continue to pass on support to town and parish councils to help mitigate any reduction in their tax base due to the local Council Tax support scheme.
- 10.6 It is therefore considered appropriate that the Council Tax Support Grant to Town and Parish Councils should reduce in line with the reduction that the Borough Council is experiencing with its Settlement Funding Assessment (SFA). The Council approved a grant distribution of £87,285 for 2015-16. It is estimated that the Council's SFA (Business Rates and Revenue Support Grant) will decrease by **11.2%** in 2016-17 (see Appendix B).
- 10.7 At the Hub Committee meeting on 27th October, it was resolved (HC29) that the amount of Council Tax Support Grant to be passed onto Parish and Town Councils be reduced by 11.2% for 2016-17 (from £87,285 to £77,509). This is an overall reduction of £9,776. Appendix D illustrates the effect for each Town and Parish Council.
- 10.8 **Devolution** - The government intends to support towns and counties to play their part in growing the economy, offering them the opportunity to agree devolution deals, and providing local people with the levers they need to boost growth. The government is working with towns and counties to make these deals happen.
- 10.9 All Devon and Somerset Councils have signed a Statement of Intent to look at working up a Devolution offering to Government. The Government, spearheaded by the Chancellor, has made clear its intention to make devolution 'deals' a major policy theme for the new Parliament.
- 10.10 **Income generation opportunities and the Council's asset management strategy** - Efficient and effective management of the Council's commercial property portfolio is inextricably linked to the Council's response to expected reduction in funding support and increasing the revenue from commercial property will help to bridge any future funding gaps. Receipts from all asset disposals will be used to reinvest in the commercial property estate.

10.11 The commercial property portfolio is run as a commercial enterprise so as to generate a revenue stream for the Council. It is the aim of the Council to continue to run the commercial estate and over time, to increase its size, by developing out sites in its ownership, as well as through the purchase of new land where required. The development programme will form part of the capital programme, which is predicated on robust and compelling business cases. Whenever financially viable, the Council will consider and deploy renewable energy / environmentally friendly solutions and technologies.

10.12 In summary, the Council's asset management strategy is to:

- Pro-active dispose of non-strategic land to reduce operational expenditure
- Use funds realised from asset disposals for future development
- Bring forward strategic sites for development or disposal as appropriate (investment will be required)
- Actively grow Commercial Asset Portfolio - Focus on Housing (Affordable, Rental, Market) & Employment Units

10.13 Other income generation initiatives will be pursued in tandem with extending the commercial property portfolio; linked to driving more value from Council assets and resources. This could be from increased fees and charges or providing customers with added value services.

10.14 **Sensitivity analysis and risk analysis** – The figures within the Medium Term Financial Strategy have been subject to a sensitivity analysis of the figures and a risk analysis. A copy is attached at **Appendix E**.

10.15 **Working in partnership** - Opportunities for working in collaboration and partnership and different ways of working will be identified and developed where this will support the delivery of the Council's outcomes and improve service efficiency and delivery. This will include development of trading opportunities and business models and exploiting external funding opportunities.

11 FEES AND CHARGES

11.1 The Council has the power to levy fees and charges for various services and functions it undertakes. Some of these fees are set by statute while for others the Council can make "reasonable" charges for the services it provides. The undertaking of regular reviews of charges allows, where possible, for the Council to recover the cost of officers' time in providing the service.

Car Parking Charges

11.2 Details are set out in Appendix F of the recommendation to freeze car parking charges in 2016-17. For clarification, there is a separate item on the Hub Committee agenda to implement long stay parking on the top two decks of Brook Street car park in Tavistock.

Environmental Health Charges

11.3 There are a number of changes proposed to the Environmental Health fees and charges. Please refer to Appendix F for a detailed breakdown of the proposals. No changes are being made to the gambling, taxi and alcohol licensing fees.

11.4 The changes to Environmental Health fees are unlikely to be the source of a substantial increase in income and therefore no additional income has been built into the budget for 2016-17 for these charges as the amounts will be minimal. The Community of Practice Lead for Environmental Health is optimistic that in time, the efficiency savings from streamlining the processes across both Councils will reduce operating costs, which may allow us to pass the savings on to the businesses.

11.5 The service of Food Export Certificates is currently subject to scrutiny, and the amount of work processing and granting of food export certificates is currently under review. Given the timing of this review, it is requested that the Community of Practice Lead for Environmental Health is given delegated authority in consultation with the Portfolio holder, to modify this charge once the outcome of the scrutiny is known.

12. IMPLICATIONS

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	<p>The Hub Committee is responsible for recommending to Council the budgetary framework. In accordance with the Financial Procedure Rules, Council must decide the general level of Reserves and the use of Earmarked Reserves.</p> <p>The preparation of 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.</p>

Financial	Y	The financial implications are set out in Sections 1.6 to 1.7 of the Executive Summary.
Risk	Y	The financial risks are as set out in the report.
Comprehensive Impact Assessment Implications		
Equality and Diversity		None directly arising from this report.
Safeguarding		None directly arising from this report.
Community Safety, Crime and Disorder		None directly arising from this report.
Health, Safety and Wellbeing		None directly arising from this report.
Other implications		None directly arising from this report.

Supporting Information

Appendices:

Appendix A – Budget pressures and savings

Appendix B1 – Modelling of council tax increasing by 1.99%

Appendix B2 – Modelling of council tax freezing

Appendix B3 – Income and Expenditure for 2015-16

Appendix C – Reserves

Appendix D – Town and Parish Council Tax Support Grant allocation

Appendix E – Sensitivity analysis and risk analysis

Appendix F – Fees and Charges

Appendix G – Members’ Budget Workshop

Approval and clearance of report

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

BUDGET PRESSURES AND SAVINGS

APPENDIX A

WEST DEVON BOROUGH COUNCIL

BUDGET PRESSURES

	BASE 2015/16 £	Yr1 2016/17 £	Yr2 2017/18 £	Yr3 2018/19 £	Yr4 2019/20 £	Yr5 2020/21 £
Inflation on the waste collection, recycling and cleansing contract (estimate) (see 5.4)	80,000	80,000	300,000	80,000	80,000	80,000
Specialist resource - Waste and Cleansing options review and delivery (see 5.5) - one off	0	80,000	(80,000)	0	0	0
Inflation on the street cleaning and public conveniences	0	10,000	30,000	10,000	10,000	10,000
Recycling of garden and leaf collections (see 5.15)	27,200	90,000	0	0	0	0
New glass recycling banks x 3	8,000	(8,000)	0	0	0	0
Inflation on the swimming pool contract (profiled fee)	10,000	10,000	20,000	10,000	10,000	10,000
Our Plan (see 5.6)	0	75,000	(75,000)	0	0	0
Inflation on goods and services	15,000	60,000	60,000	60,000	60,000	60,000
Reduction in Housing Benefit administration subsidy	34,000	40,000	40,000	40,000	40,000	40,000
Increase in salaries - increments and pay and grading	0	40,000	40,000	40,000	40,000	40,000
Increase in salaries - pay increase at 1%	58,800	40,000	40,000	40,000	40,000	40,000
National Insurance - (see 5.7)		60,000	0	0	0	0
Triennial Pension revaluation	20,000	60,000	60,000	60,000	60,000	60,000
Reduction in the Homelessness Grant (see 5.10)	0	50,000	0	0	0	0
Trading company - specialist advice (see 5.11) - One off	0	75,000	(75,000)	0	0	0
Elections - reversal of 15/16 one off cost pressure	50,000	(50,000)	0	0	0	0
Kilworthy Park - running costs (see 5.15)	0	45,000	0	0	0	0
New Governance Arrangements	28,000	0	0	0	0	0
Tamar Valley Legacy Plan	28,000	3,000	0	0	0	0
Rural Development Programme for England	10,400	0	0	0	0	0
Tavistock Townscape (Council March 14 CM74)	10,000	0	0	0	0	0
Reduction in TIC Savings	15,000	0	0	0	0	0
Tamar Estuaries Consultative Forum (see 5.12)		1,000				
Workstation rental costs - payment to South Hams - this is offset by savings as shown below (T18 Council Minute CM49 - November 2013)	90,000	0	0	0	0	0
TOTAL IDENTIFIED BUDGET PRESSURES	484,400	761,000	360,000	340,000	340,000	340,000

BUDGET PRESSURES AND SAVINGS

WEST DEVON BOROUGH COUNCIL

Contribution to T18 Strategic Change Earmarked Reserve

Transformation Project (T18) - Approved at 9th December 2014 Council (One-off investment costs included for completeness)

Contribution to Strategic Change Reserve to meet redundancy and pension costs (offset by savings above)

Net contribution to T18 Reserve to meet other non-recurring costs (offset by savings above)

BASE 2015/16 £	Yr1 2016/17 £	Yr2 2017/18 £	Yr3 2018/19 £	Yr4 2019/20 £	Yr5 2020/21 £
805,000	125,000	160,000	120,000	35,000	0
67,000	67,000	67,000	67,000	67,000	0
872,000	192,000	227,000	187,000	102,000	0

Total Contribution to T18 Strategic Change Earmarked Reserve

SAVINGS AND INCOME GENERATION IDENTIFIED

Housing Benefit recoveries (see 5.15)

Other staffing expenses (see 5.15)

Reduction on Members Allowances (Council 13 May 2014)

Savings on audit fees

New income generation from Street Name and Numbering

Additional investment income

Business Rates pooling gain (see 3.3)

Bank Charges Reduction

BASE 2015/16 £	Yr1 2016/17 £	Yr2 2017/18 £	Yr3 2018/19 £	Yr4 2019/20 £	Yr5 2020/21 £
0	30,000	0	0	0	0
0	60,000	0	0	0	0
4,200	0	0	0	0	0
12,000	0	0	0	0	0
7,500	0	0	0	0	0
0	5,000	15,000	30,000	5,000	5,000
30,000	10,000	10,000	10,000	10,000	10,000
5,000	0	0	0	0	0
58,700	105,000	25,000	40,000	15,000	15,000

TOTAL SAVINGS AND INCOME GENERATION (excluding T18 savings)

Reduced running costs at Kilworthy Park and additional leasing income

Transformation Project (T18) savings - Approved at 9th December 2014 Council report (Appendix C) - £700,000 staff savings (30% of current staffing levels) and £25,000 other staff saving costs (ancillary costs) - Note the £725,000 savings in 2016/17 are in addition to £962,000 of savings already built into the 2015/16 Base Budget as shown.

90,000	15,000	15,000	15,000	15,000	0
872,000	725,000	0	0	0	0
1,020,700	845,000	40,000	55,000	30,000	15,000

TOTAL SAVINGS AND INCOME GENERATION (including T18 savings)

Line No.	Example B1 - Council Tax is increased by 1.99% each year Modelling for the financial years 2016/17 onwards	Base 2015/16 £	Yr1 2016/17 £	Yr2 2017/18 £	Yr3 2018/19 £	Yr4 2019/20 £	Yr5 2020/21 £
1	Base budget brought forward (line 4/line11)	7,798,625	7,262,325	7,178,325	7,413,004	7,384,799	7,595,940
2	Budget pressures (as per Appendix A)	484,400	761,000	360,000	340,000	340,000	340,000
3	Savings already identified (as per Appendix A) Further Savings Identified	(1,020,700)	(845,000)	(40,000)	(55,000)	(30,000)	(15,000)
4	Projected Net Expenditure:	7,262,325	7,178,325	7,498,325	7,698,004	7,694,799	7,920,940
	Funded By:-						
5	Council Tax income - Modelling a 1.99% increase in council tax each year (Taxbase 15/16 = 19,457 Band D Equivalent properties)	4,054,644	4,177,702	4,304,005	4,433,800	4,566,941	4,699,587
6	Collection Fund Surplus	60,589	280,000	80,000	80,000	80,000	80,000
7	Revenue Support Grant	1,215,323	892,000	621,000	371,000	311,000	0
8	Localised Business Rates	1,579,000	1,591,000	1,635,000	1,687,000	1,740,000	1,795,000
9	Funding from New Homes Bonus	1,224,769	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
10	Less: Contribution to Strategic Change Earmarked Reserve (T18)	-872,000	-192,000	-227,000	-187,000	-102,000	0
11	Total Projected Funding Sources	7,262,325	7,748,702	7,413,005	7,384,800	7,595,941	7,574,587
	Budget (surplus)/ gap per year						
12	(Projected Expenditure line 4 - Projected Funding line 11)	0	-570,377	85,320	313,203	98,859	346,353

Cumulative Budget (Surplus)/Gap - There is a budget surplus in 2016/17 and budget gaps in the remaining four years.	0	-570,377	-485,057	-171,853	-72,994	273,358
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An assumption of an additional 200 Band D equivalent properties per year has been included in the TaxBase and modelling above for 2016/17 onwards

Memorandum Note - NHB remaining to fund the Revenue Budget, after funding the Capital Programme

This line shows the amount of New Homes Bonus (NHB) available to fund the Revenue Budget, after the funding for the Capital Programme has been deducted.	1,090,682	1,337,449	1,265,209	948,267	1,066,692	1,095,375
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FINANCIAL STRATEGY

Line No.	Example B2 - Council Tax is frozen every year from 16/17 onwards Modelling for the financial years 2016/17 onwards	Base 2015/16 £	Yr1 2016/17 £	Yr2 2017/18 £	Yr3 2018/19 £	Yr4 2019/20 £	Yr5 2020/21 £
1	Base budget brought forward (line 4/line11)	7,798,625	7,262,325	7,178,325	7,330,999	7,256,677	7,418,355
2	Budget pressures (as per Appendix A)	484,400	761,000	360,000	340,000	340,000	340,000
3	Savings already identified (as per Appendix A) Further Savings Identified	(1,020,700)	(845,000)	(40,000)	(55,000)	(30,000)	(15,000)
4	Projected Net Expenditure:	7,262,325	7,178,325	7,498,325	7,615,999	7,566,677	7,743,355
5	Council Tax income - Assumes Council Tax is frozen in 2016/17 and thereafter (Taxbase 15/16 = 19,457)	4,054,644	4,096,322	4,138,000	4,179,678	4,221,356	4,263,034
6	Council Tax Freeze modelled for 16/17 onwards - (assumed built into the baseline thereafter)		42,000	84,000	126,000	168,000	210,000
7	Collection Fund Surplus	60,589	280,000	80,000	80,000	80,000	80,000
8	Revenue Support Grant	1,215,323	892,000	621,000	371,000	311,000	0
9	Localised Business Rates	1,579,000	1,591,000	1,635,000	1,687,000	1,740,000	1,795,000
10	Funding from New Homes Bonus	1,224,769	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
11	Less: Contribution to Strategic Change Earmarked Reserve (T18)	-872,000	-192,000	-227,000	-187,000	-102,000	0
12	Total Projected Income	7,262,325	7,709,322	7,331,000	7,256,678	7,418,356	7,348,034
	Budget (surplus)/gap per year						
13	(Projected Expenditure line 4 - Projected Income line 12)	0	-530,997	167,325	359,321	148,321	395,321

Cumulative Budget (Surplus)/Budget Gap - There is a budget surplus in 2016/17 and budget gaps in the years thereafter.	0	-530,997	-363,672	-4,351	143,970	539,291
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An assumption of an additional 200 Band D equivalent properties per year has been included in the TaxBase and modelling above for 16/17 onwards

Memorandum Note - NHB remaining to fund the Revenue Budget, after funding the Capital Programme

This line shows the amount of New Homes Bonus (NHB) available to fund the Revenue Budget, after the funding for the Capital Programme has been deducted.	1,090,682	1,337,449	1,265,209	948,267	1,066,692	1,095,375
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West Devon Borough Council Draft Revenue Budget Analysis

Service	Net Budget 2015/16	2016/17 Budget Pressures	2016/17 Budget Savings	2016/17 Budget Total
Commercial Services	2,076,869	326,354	231,642	2,171,581
Customer First	4,040,525	293,656	480,658	3,853,523
Strategy and Commissioning	779,251	127,898	86,914	820,235
Support Services*	365,680	13,092	45,786	332,986
Total Budget	7,262,325	761,000	845,000	7,178,325

**In accordance with the CIPFA Code the majority of Support Services has been recharged to the front line services*

Funded By

Revenue Support Grant	1,215,323			892,000
Localised Business Rates	1,579,000			1,591,000
Council Tax (assuming increase of 1.99%)	4,054,644			4,177,702
New Homes Bonus	1,224,769			1,000,000
Collection Fund Surplus	60,589			280,000
Less: Contribution to Strategic Change Earmarked Reserve (T18)	- 872,000			- 192,000
	7,262,325			7,748,702
Budget (Surplus)/Gap				- 570,377

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RESERVES - PROJECTED BALANCES					
	Opening balance 1 April 2015 £000	Additions to the Reserve	Predicted spend to 31.3.2016 £000	Projected balance 31.3.2016 £000	Comments
EARMARKED RESERVES					
Specific Reserves - General Fund					
T18 Strategic Change Earmarked Reserve		(872)	872	0	A new reserve set up to fund T18 redundancy and pension costs.
Business Rates Retention Scheme	(321)		100	(221)	This reserve will be used to offset the balance on the Collection Fund. This relates to a timing issue on the accounting adjustments required for the localisation of business rates.
Car Parking Maintenance	(318)			(318)	
Local Authority Business Growth Incentive (LABGI)	(21)		21	0	
Habitats Earmarked Reserve	(24)		24	0	
Cannons Meadow	(21)		3	(18)	Written down to revenue annually
County Election	(24)			(24)	
Landscape Maintenance	(20)			(20)	
Fifth Wave Neighbourhood Front Runners	(50)		(5)	(55)	
DCLG Business Support Scheme	(13)		13	0	
DCC Public Health	(40)		40	0	
Devon County Council - TAP Funds	(49)		49	0	
Economic Grant Initiatives	(16)		16	0	
Flood Works	(20)		20	0	
Homelessness Prevention	-	(30)		(30)	A new reserve set up to cover additional costs in the winter months.
Other Reserves below £15,000	(86)		40	(46)	
TOTAL EARMARKED RESERVES	(1,023)	(902)	1,193	(732)	
TOTAL UNEARMARKED RESERVES	(1,023)	(70)		(1,093)	Shown to increase by £70,000 in 2015/16, which is the predicted underspend for the year.
TOTAL REVENUE RESERVES (EARMARKED AND UNEARMARKED RESERVES)	(2,046)	(972)	1,193	(1,825)	

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Town and Parish - Council Tax Support Grant allocation

Parish/Town	<u>Council Tax Support Grant allocation for 2015/16</u>	<u>11.20% Percentage reduction</u>	<u>Council Tax Support Grant allocation for 2016/17</u>
Okehampton Town Council	20,326	2276	18,049
Hatherleigh Town Council	1,914	214	1,700
Bere Ferrers Parish Council	5,417	607	4,810
Lifton Parish Council	897	100	796
Dartmoor Forest Parish Council	1,402	157	1,245
Inwardleigh Parish Council	220	25	195
Tavistock Town Council	39,335	4405	34,929
Bridestowe Parish Council	439	49	390
North Tawton Town Council	5,253	588	4,665
South Tawton Parish Council	793	89	704
Horrabridge Parish Council	1,865	209	1,657
Sampford Courtenay Parish Council	369	41	328
Mary Tavy Parish Council	917	103	814
Sourton Parish Council	278	31	247
Lamerton Parish Council	308	35	274
Drewsteignton Parish Council	790	88	701
Northlew Parish Council	447	50	397
Kelly Parish Meeting	26	3	23
Spreyton Parish Council	99	11	88
Chagford Parish Council	1,719	193	1,527
Gulworthy Parish Council	195	22	173
Sticklepath Parish Council	167	19	149
Broadwoodkelly Parish Council	115	13	102
Milton Abbot Parish Council	184	21	164
Beaworthy Parish Council	53	6	47
Exbourne & Jacobstowe Grouped Parish Council	216	24	192
Meeth Parish Council	53	6	47
Highampton Parish Council	142	16	126
Bratton Clovelly Parish Council	183	20	162
Iddesleigh Parish Council	66	7	59
Sydenham Damerel Parish Council	18	2	16
Burrator Parish Council	158	18	140
Plasterdown Grouped Parish Council	94	10	83
Stowford Parish Council	68	8	60
Bondleigh Parish Council	8	1	7
Okehampton Hamlets Parish Council	326	36	289
Buckland Monachorum Parish Council	1,411	158	1,253
Monkokehampton Parish Council	57	6	51
Lydford Parish Council	204	23	181
Throwleigh Parish Council	99	11	88
Peter Tavy Parish Council	210	24	187
Belstone Parish Council	49	5	43
Lewdown Grouped Parish Council	116	13	103
Germansweek Parish Council	39	4	34
Brentor Parish Council	240	27	213
Gidleigh Parish Meeting	0	0	0
	87,285	9,776	77,509

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Sensitivity analysis and risk analysis of the Medium Term Financial Strategy (MTFS)

1. The predicted revenue support grant figure for 2016/17 is £892,000. This is a reduction of £323,000 or 27% on the current year. For 2017/18 and 2018/19 further reductions of £271,000(30%) and £250,000(40%) have been assumed based on forecasts. A variation of 10% on the 2016/17 predicted figure for Revenue Support Grant equates to £89,200.
2. Extra business rates retention income from rates growth above the baseline funding has been assumed for the five year plan. A growth averaging £43,200 (2.7%) annually over the next five years has been assumed.
3. A realistic provision of £380,000 (equating to 3.5%) has been made for business rates appeals (the gross amount payable for Business Rates is £10.6 million in 15/16). An extra 1% provision would equate to £109,000.
4. The budget assumes approximately £1.7 million of income from fees and charges, recycling and investments. Whilst this assumption is realistic, given the position of the economy there is a risk that income could fall or be less than anticipated. A 5% reduction in income would result in a loss of £85,000.
5. The MTFS relies on proposed savings in 2016/17 of £755,000. These savings have been agreed as part of the Business case for the T18 Transformation Programme and are mainly from a reduction in staffing numbers being fully realised in 2016/17. A 5% increase or reduction in the savings would equate to £37,750.
6. New Homes Bonus has been modelled based on an extra 200 properties per annum increase. Each extra property attracts £1,174 (80% of £1,468). If this figure were to actually be say 50 properties less, this would mean New Homes Bonus figures would be less than predictions by £58,700 per annum for the next 6 years of New Homes Bonus.
7. Council Tax has been assumed in the Medium Term Financial Strategy to increase by 1.99% per annum. A 1% increase in council tax equates to £40,000.

8. Income from investments (around £8 million) has been assumed to increase in line with the expected interest rate forecasts in Section 2.3 i.e. 0.75% in 2016/17 and rising to 1.5% by 2018/19. A 0.25% variation in interest rates on investment income equates to £20,000.
9. An allowance of 2% for inflation is included in the budget. Inflation costs are being managed through cost effective procurement.
10. The capital programme is funded by receipts, grants, and contributions. Realistic assumptions about these have been made for the future.
11. Known liabilities have been provided for and there are no significant outstanding claims.
12. Income generation opportunities and the Council's asset management strategy - The Council's asset management strategy is to:
 - Pro-active dispose of non-strategic land to reduce operational expenditure
 - Use funds realised from asset disposals for future development
 - Bring forward strategic sites for development or disposal as appropriate (investment will be required)
 - Actively grow Commercial Asset Portfolio - Focus on Housing (Affordable, Rental, Market) & Employment Units
13. Other income generation initiatives will be pursued in tandem with extending the commercial property portfolio; linked to driving more value from Council assets and resources. This could be from increased fees and charges or providing customers with added value services.

Summary & conclusion

Sensitivity analysis and risks are identified above with a potential total adverse revenue effect for 2016/17 of £483,000. However, revenue reserves are recommended to be maintained at a minimum of £750,000. I therefore confirm the robustness of the Medium Term Financial Strategy and the adequacy of the reserves.

Mrs Lisa Buckle, Finance Community of Practice Lead (S151 Officer)

FEES AND CHARGES FOR 2016-17

CAR PARKING CHARGES

The recommendation to freeze car parking charges for 2016-17 is based on the need to continue to encourage the increased use of car parks, which has occurred as a result of the £2 all-day charge initiative.

Nationally, the use of car parks fell during the recession and is only this year beginning to recover from this. This is reflected in feedback from our neighbouring authorities.

Our £2 tariff has helped to encourage more use of our car parks, and a separate report to the Hub Committee on this agenda recommends that long-stay parking in Tavistock is increased slightly by having long-stay parking on the top two decks of Brook Street car park.

The initiative was discussed by the West Devon Car Parking Strategy Group on 3rd November, where it was requested that the Council review the current arrangements in early spring 2016, allowing it to run for a full 12 months before the impact is fully assessed. It was recognised that there may be a need to postpone the start time of the scheme to, say 10am. However, the increase in long-stay parking, by using Brook Street, may resolve the very few complaints we have received regarding the scheme. Largely it has been received positively both by customers and the business communities in both Tavistock and Okehampton.

Income comparison:

	2015	2014	2013
April	£74,032	£58,376	£57,347
May	£66,778	£71,636	£67,761
June	£75,793	£66,591	£58,422
July	£77,085	£64,571	£72,551
August	£76,485	£82,671	£79,142
September	£78,199	£71,648	£69,921
TOTAL	£448,372	£415,493	£405,144

Pay & Display ticket sales:

	2015	2014
April	60,705	57,680
May	66,489	61,397
June	56,404	56,013
July	66,528	64,127
August	70,421	70,210
September	62,875	60,210
TOTAL	383,422	369,637

In respect of season tickets, it is recommended that these be reviewed at the same time as the tariffs, in the spring, at the end of the pilot period for the new tariffs. In the meantime, our season tickets still work out to be better value for customers than paying £2 per day. Should a customer choose to not take advantage of this, additional income would be generated for the Council, based on a commuter working 5 days per week, 48 weeks of the year (£480 per annum, compared with a town centre season ticket charge of £400).

The Revenue Budget Monitoring report for 2016-17 is a separate report on this Hub Committee agenda and this is predicting that actual car parking income received for the year will be £890,000 against a budgeted income target of £860,000. This is based on the fact that car parking income is currently higher than the budget for the first seven months of 2015/16. If this trend continues, it is predicted that car parking income will be £30,000 above the budget.

Recommendation

That the Hub Committee recommends to Council that

- a) Car parking charges are frozen for 2016-17 as set out above***

*For clarification - There is a separate item on the Hub Committee agenda to implement long stay parking on the top two decks of Brook Street car park in Tavistock.

Environmental Health Licence Fees West Devon 16/17

(All outside the scope of vat except where shown)

Licence Type	Current Fee	Proposed Fee (2016/17)	Comments
Acupuncture, Tattooing, Ear-piercing & Electrolysis			The Local Government (Miscellaneous Provisions) Act 1982 Part VIII requires businesses which carry out the following types of skin piercing to be registered with the Council.
Register of Persons	£112.00	£112.00	<ul style="list-style-type: none"> – acupuncture – tattooing
Register of Premises	£112.00	£112.00	<ul style="list-style-type: none"> – cosmetic body piercing (including ear piercing) – semi-permanent skin colouring – electrolysis
Changes to Premises registration particulars	None	£40	<p>The Act requires registration to cover both the person carrying on the practice and the premises used for that purpose. Once an application has been made and a fee paid, an inspector will undertake an inspection of the premises. If the inspector considers the applicant's procedures and the premises to be suitable, then registration will be approved. The fees are only payable once. Once registered there is no need to reapply on an annual basis. Premises will be checked before registration is completed and on a regular basis to ensure that hygienic standards are being maintained.</p>

<p>Animal Boarding Establishment (All to 31 December each year)</p> <p>Licence (per animal)</p> <p>Minimum</p> <p>Maximum</p> <p>Home Boarding (maximum fee charged)</p>	<p>£5.00</p> <p>£123.00</p> <p>£179.00</p> <p>£110.00</p>	<p>£5.00</p> <p>£129.00</p> <p>£187.00</p> <p>£120.00</p>	<p>Animal Boarding establishments are essentially kennels and catteries.</p> <p>The fees are based on a 'per animal' basis with a minimum fee of £123.00 being proposed. Premises are regulated under the Animal Boarding Establishments Act 1963. A visit will normally be made to the establishment to check that licence conditions are being complied with. Checks will include ensuring that the accommodation is suitable in construction, size, numbers and facilities such as heating, lighting and ventilation are adequate. Checks are also made to ensure the correct welfare and management of the animals, fire precautions and emergency arrangements.</p> <p>Revisits to premises may be required where minimum standards are not achieved. Visits may also be required on receipt of complaints.</p> <p>Regular checks will also be required.</p>
<p>Dangerous Wild Animal Licence</p> <p>Plus Vets fees and expenses</p>	<p>£394.00</p> <p>Act. Cost</p>	<p>£394.00</p> <p>Act. Cost</p>	<p>Animals which are classified as "dangerous wild animals" and can be anything from an Aadvark to a Zebra, are identified in a schedule to the Dangerous Wild Animals Act. Anyone wishing to keep one of these animals requires a Licence issued by the local authority.</p> <p>Checks will be made on application to ensure that the person is suitable for the keeping of dangerous animals. A visit will then be made to the premises to ensure that the animals can be kept in an environment that protects their welfare and also that of public safety. Licence conditions often are specific to the type or property and animal being kept, so can require a significant amount of officer time to develop.</p>

			The service of a specialist vet is often required (for which a separate recharge is made). A number of visits may often have to be made to ensure that licence conditions can be met. Visits may also have to be made on a regular basis to ensure welfare and safety standards are maintained. Public nuisance issues may also have to be addressed.
Dog Breeding Establishment			
Licence Fee (Initial & Renewal)	£157.00	£167.00	A breeding establishment is where five or more litters are born, to one or more bitches, for the purpose of sale, in the period of one year. A licence is necessary for the interests of animal welfare and consumer protection relating to the facilities in which the animals are kept and the extent to which they are bred.
Plus Vets fees and expenses (initial applications only)	Act. Cost	Act. Cost	A visit will be made to the premises to ensure that welfare conditions are suitable. For initial applications a visit by a vet will also be required. Conditions may also be attached to the licence. Regular inspections will also be required to ensure compliance with conditions and to ensure that adequate records are kept.

<p>Hypnotism</p>	<p>£54.00</p>	<p>£56.00</p>	<p>The control of hypnotism is via the Hypnotism Act (as amended). Anyone giving an exhibition, demonstration or performance of Hypnotism on any person or in connection with entertainment to which the public are admitted whether by payment or otherwise is required to obtain authorisation from the Council by way of consent. Hypnotism includes hypnotism, mesmerism and any similar act or process which produces or is intended to produce in any person any form of induced sleep or trance in which the susceptibility of the mind of that person to suggestion or direction is increased or intended to be increased.</p> <p>Once a completed application form is received and the information has been checked, liaison with a number of</p>
			<p>agencies such as the Police may take place. Checks will be made to ensure that the proposed event does not offend public decency and that vulnerable people will not be put at harm. Conditions will normally be attached to the licence to protect the public physical safety and mental health.</p> <p>Discussions may have to be held with the event organiser.</p>

<p>Pet Animal Auctions</p>	<p>£202.00</p>	<p>£202.00</p>	<p>Pet Animal Auctions require to be licensed. The licence will specify conditions concerning the welfare of animals that are to be sold. Other checks will ensure that:</p> <ul style="list-style-type: none"> – animals will at all times be kept in accommodation suitable as respects size, temperature, lighting, ventilation and cleanliness; – animals will be adequately supplied with suitable food and drink and (so far as necessary) visited at suitable intervals; – animals, being mammals, will not be sold at too early an age; – that all reasonable precautions will be taken to prevent the spread among animals of infectious diseases; – that appropriate steps will be taken in case of fire or other emergency; <p>As the auctions are transient, the potential for animal neglect is higher. More stringent controls and inspection regimes will be required.</p>
<p>Pet Shop Licences (Non-Statutory Annual Fee) Plus Vets fees and expenses</p>	<p>£120.00 Act. Cost</p>	<p>£120.00 Act. Cost</p>	<p>Pet shops will require licensing on an annual basis. As with Pet Animal Auctions checks and visits will be required to ensure that:</p> <ul style="list-style-type: none"> – animals will at all times be kept in accommodation

			<p>suitable as respects size, temperature, lighting, ventilation and cleanliness;</p> <ul style="list-style-type: none"> – animals will be adequately supplied with suitable food and drink and (so far as necessary) visited at suitable intervals; – animals, being mammals, will not be sold at too early an age; – that all reasonable precautions will be taken to prevent the spread among animals of infectious diseases; – that appropriate steps will be taken in case of fire or other emergency <p>Visits will also need to be made to follow up on complaints.</p>
Riding Establishment Licences			<p>The Riding Establishments Act 1964 requires persons to obtain a licence from the local authority if they wish to operate a riding establishment. A 'riding establishment' means the carrying on of a business of keeping horses to let them out on hire for riding, or for use in providing instruction in riding for payment, or both'. The Act is concerned with ensuring the suitability of the licence holder and the welfare and suitability of the horses and in particular:</p> <ul style="list-style-type: none"> – whether the person has suitable qualification or experience – the condition of the horses – the condition of feet – suitable accommodation – where appropriate, the condition of pasture
Up to 10 horses	£168.00	£168.00	
Plus for each horse	£8.00	£8.00	
Plus for Vets fees and expenses	Act. Cost	Act. Cost	
Maximum Fee	£303.00	£304.00	

			<ul style="list-style-type: none"> - suitable food, drink, bedding and exercise facilities - suitable disease control - suitable precautions in event of fire - provision of adequate accommodation for forage, bedding and equipment. <p>Adequate insurance cover will also have to be provided. The local authority will have to authorise a vet to inspect the establishment and to consider the report of their visit before issuing the licence.</p> <p>Checks will be made to ensure that the premises continue to operate in a satisfactory manner.</p>
Scrap Metal Dealers (2013 Act)			
Site Licence (New Application valid 3 yrs)	£175.00	£180.00	The 2013 Act replaces the Scrap Metal Dealers Act 1964 and combines scrap metal dealers and motor salvage operators under one licence. We will continue to act as the main regulator but the new Act gives us more powers, including the power to refuse a license and powers to revoke licences if the dealer is considered unsuitable. Both we and the Police have been given powers to enter and inspect premises.
Site Licence (Renewal)	£125.00	£130.00	
Transfer of Site Licence to Mobile Collector	£75.00	£75.00	
Mobile Collector Licence (New application valid 3 yrs)	£125.00	£130.00	
	£80.00	£85.00	
Mobile Collector (Renewal)	£75.00	£80.00	
Transfer of a Mobile Collector Licence to a Site Licence			
Change of licence holder details	£15.00	£15.00	
Change of licensed site	£75.00	£80.00	
Change of site manager	£40.00	£43.00	

Sex Establishments (Shops & Encounter Venues)			The Local Government (Miscellaneous Provisions) Act 1982 requires the licensing of sex establishments (shops or cinemas) and also the licensing of sexual entertainment venues, by virtue of s27 of the Police and Crime Act 2009.
Per application (Inclusive of first year	£4,600	£4,600	
annual licence) Annual Fee/Renewal Transfer Plus Premises Licence / Club Premises Certificate if applicable – Licensing Act 2003	£450.00 £1,300 Statutory Fee	£450.00 £1,300 Statutory Fee	A sex shop means any premises, vehicle, vessel or stall used for a business which consists to a significant degree of selling, hiring, exchanging, lending, displaying or demonstrating sex articles or acts of force or restraint associated with such activity. A sex cinema has a similar meaning but for the showing of films. A sexual entertainment venue would cover establishments such as a lap-dancing clubs. The price of a sex establishment (there are none in West Devon) has been reduced so to be mindful of an EU Directive that an applicant isn't required to contribute towards appeal or enforcement costs. Also, the fee level set should not be used to act as a deterrent against applying. Annual renewal fees are set considerably lower to reflect the decreased workload associated.

Zoo Licensing Act			
Grant of Licence (Valid 4 years)	£818.00	£818.00	<p>Zoos are required to be licensed by the local authority under the Zoo Licensing Act 1981. A zoo is defined in the Act as being 'an establishment where wild animals are kept for exhibition ... to which members of the public have access, with or without charge for admission, seven or more days in any period of twelve consecutive months'. The Act aims to ensure that, where animals are kept in enclosures, they are provided with a suitable environment to provide an opportunity to express most normal behaviour.</p> <p>The process for licensing a zoo is complex and timeconsuming. The process will involve liaison with a Secretary of State appointed vet, and inspections will be made to ensure that the zoo can operate in a manner that ensures public safety while maintaining a rich and rewarding environment for the animals. Checks will also have to be made to ensure that the zoo is actively involved in conservation measures.</p> <p>The level of specialist knowledge required is very high as is the amount of work required to effectively liaise with the zoo and Government vets. Inspections to ensure compliance can take several days to complete. Regular visits to ensure continued compliance are also required.</p> <p>The costs of arranging an inspection of the zoo by a Secretary of State appointed vet are met by the licence holder.</p> <p>The consequences of having a poorly-run zoo are great. Dispensation can be made for smaller zoos that do not require such a high level of input.</p>
Renewal of Licence (Valid for 6 years)	£717.00	£717.00	
Transfer of Licence	£370.00	£370.00	
Partially exempt premises	70% of above fees	70% of above fees	
Inspection	Actual Cost	Actual Cost	

Housing Act Enforcement Notice fee	New charge	£38.50 per hour	The 2013 Act introduced the ability of the Councils to charge for the service of enforcement notices and to carry out works in default to remedy breaches of site licence conditions from 1 st April 2014. The fee for Housing Act 2004 enforcement notices is based on the hourly rate plus on-costs of the relevant enforcing office, due to the similarity of the two pieces of legislation the two fees will be comparable, as such the fee is £38.50/hour. The Councils have already set a fee for depositing site rules with the local authorities, this was set in 2014 and will remain the same at £75.
Depositing site rules with Local Authority	£75	£75	

Recommendation

It is recommended to Council that:-

- i) The fees for the Environmental Health Community of Practice are as per Appendix F
- ii) Delegated authority is given to the Community of Practice Lead for Environmental Health in consultation with the Lead Member, to modify the charges of Food Export Certificates, once the outcome of the current review is known.

West Devon Budget Setting Workshop – 20th October 2015

The Executive Director (Strategy & Commissioning), Steve Jorden facilitated the session and spoke about the Medium Term Financial Strategy, the potential effects of devolution and the need for income generation to meet the predicted budget pressures. A key message was that despite the successful ongoing implementation of the T18 Transformation Programme, the Council still needs to make decisions and changes in order to be fully self-sufficient and financially sustainable.

The Finance Community of Practice Lead, Lisa Buckle then shared a presentation about the forecast gap between income and expenditure as a result of reduced Central Government funded Revenue Support Grant and the possible financial effects of the Government's Spending Review (2015).

Steve Jorden also shared a presentation about the Business Development / Income Generation agenda and the introduction of the refreshed Asset Management Strategy.

Feedback from Strategic Priorities – Workshop session (1)

After a brief discussion around the Strategic Priorities set out in “Our Plan” – an interactive session was held, where the Members in attendance split into groups to look at the strategic priorities and to list the top three principles/objectives or areas which they would like to see taken forward in the Budget process for future years (mainly looking longer term at years 2017/18 onwards (Year 2 of the MTFs)).

The exercise yielded a number of outputs. These priorities / principles have been categorised into broad strategic areas as shown below:

Develop the Economy – Infrastructure is key – Develop and maintain business growth. Need to develop short, medium and long term plans. The Economy needs good infrastructure. If you get the plan right, other things will follow e.g. generate employment. It is not just about roads but more about social infrastructure such as doctors, leisure, schools, shops, pubs, transport etc. Need to take into account that 45% of WDBC is in the National Park. Look at neighbouring economies e.g. Saltash, Launceston, more light weighted industrial buildings. Develop the wider Borough e.g. good examples are Ambrosia and Haulage. There could be a lack of available land for industrial development and to build affordable housing (Compulsory Purchase Orders?).

Community – Community encompasses Economy and Housing. Need to provide more self-help and the availability of funding to Parishes to provide services.

Housing/Homes – Housing Developments in the communities rather than Tavistock and Okehampton. Plan it to build own house to rent/sell. Strategy around Housing. Develop higher end housing to attract individuals.

Planning policy – Review of some of the West Devon planning policies to allow more flexibility with regard to new developments especially concerning what constitutes “open countryside” or whether or not a proposal is within an existing boundary.

Business – Establish the best business fit for two different towns e.g. logistics, distribution access in Okehampton (utilising the A30).

Tourism – Develop tourism.

Education – Partnership in educational providers.

Parish Survey – Survey the Parishes to find out exactly what parish owned land is available – Need to keep more in the community (young people need affordable low cost housing).

Young People – Set policies to encourage young people to live/work in West Devon.

Trading company - Set up a trading company

Information Gathering – Gather information and intelligence around our front-line operational services. These are the eyes ‘n’ ears and hands. Managing demand.

Feedback from Strategic Priorities - Workshop session (2)

The final interactive session enabled the same groups of Members to set some principles/proposals which they would like the Hub Committee to consider as part of the 2016/17 Budget Setting Process (Year 1 of the Medium Term Financial Strategy). There was some significant correlation between the responses.

Increase Council Tax by the maximum allowable percentage – Whilst nobody wants to raise council tax, Members’ views were that it was essential to raise council tax by the permitted maximum. This measure would increase the base budget for ensuing years and protect the delivery of services and the Council’s financial resilience.

Businesses – Investment to encourage new businesses e.g. business rate relief policy. Invest in intelligence about what businesses we have, what units do they need – collect information to inform decisions. E.g. In Princetown there are commercial properties shutting down e.g. cafes. Need to ask the Hub Committee for a fighting fund for Princetown. Achieve greater co-operation between ourselves, the National Park, the Duchy and the County through partnership working. There needs to be a co-ordinated strategy about Princetown and a wider strategy about all businesses in the National Park.

Residential - Encourage residential above shops.

Website and on-line services –Invest in improving our website and on-line services.

Surplus in 2016/17 and New Homes Bonus uncommitted amount in 2016/17 – Members noted that the surplus predicted in 2016/17 of £571,000 and the New Homes Bonus uncommitted amount of £317,000 totalled just under £900,000. There were various ideas about how these surpluses should be reinvested such as:-

- i) Explore the option of paying off some of the prudential borrowing (loan) on the Kilworthy Park building, thereby saving on the interest payments (*The S151 Officer advised that the option of repaying some of the borrowing or rescheduling the £2.1 million debt is annually reviewed by the Council's treasury management advisors, Sector. Their advice is due to the early redemption payment payable and due to current gilt prices, this is not financially advantageous at the moment but this will be annually reviewed. The Council currently pays interest of £97,000 a year on the £2.1 million borrowing*).
- ii) There is currently a capital programme budget for Housing of £0.55 million. If repaying some of the borrowing on the Kilworthy Park building is not an option, Members would like to see development properties purchased for re-sale (trading arm). Build new houses.
- iii) Income generation - Hold the money in a reserve to invest in and fund future income generation opportunities (this could be through the trading company).
- iv) Invest the surplus in property and not literally keeping the money in the bank account. This is so as to ensure that the capital value increases. For example short term investment in industrial or residential in the Borough.
- v) Reduce the reliance on New Homes Bonus which is anticipated to start falling away.
- vi) Transformation Programme (T18) - Short term injection of additional investment into some services e.g. the planning service, to clear temporary service backlogs. Hold money in a reserve for contingencies.

Fees and Charges – Ongoing review of existing fees and charges, in particular car parking. The Council generates around £860,000 of income from car parking and there is a need for an annual review. (*Note a report on car parking charges will be submitted to the Hub Committee in accordance with the normal budget timetable*).

For further information, please also refer to:

Presentation One: Lisa Buckle - Presentation on the Medium Term Financial Strategy

Presentation Two: Steve Jordan - Presentation on the Business Development & Income Generation Agenda

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Agenda Item 6

Report to: **Hub Committee**
Date: **1 December 2015**
Title: **Heart of the South West Formal Devolution Bid**
Portfolio Area: **Strategy and Commissioning**

Wards Affected: **All**

Relevant Scrutiny Committee: **Overview and Scrutiny (Internal) Committee**

Urgent Decision: **N** Approval and clearance obtained: **N/A**

Date next steps can be taken: **8 December 2015**
(e.g. referral on of recommendation or implementation of substantive decision) **Following Council**

Author: **Steve Jorden** Role: **Executive Director (Strategy and Commissioning)**

Contact: **steve.jorden@swdevon.gov.uk**

Recommendations

That Hub Committee recommend Full Council to:

1. Endorse the Leader's current approach to devolution and the drafting of proposals, their submission and negotiation of a deal for the Heart of the South West, namely:

Working with local authorities, National Parks and the Heart of the South West Local Enterprise Partnership to deliver full proposals for devolution which will seek a formal agreement with Government on a formal devolution deal as set out in Appendix 1

2. Note that full Council will consider and be asked to approve the final devolution proposal before the end of the year
3. That should government timescales change, authority be delegated to the Head of Paid Service in consultation with the Leader of the Council to approve the final proposal.

1. Executive summary

- Devolution for the Heart of the South West (HotSW) is being led by the Leaders of Somerset and Devon County Councils, all Somerset and Devon Districts, Torbay Council, Plymouth City Council, Dartmoor and Exmoor National Parks and the Local Enterprise Partnership.
- Our shared Devolution Statement of Intent was submitted to Government on 4 September in response to announcements in the July Budget and a deadline set by the Chancellor of the Exchequer. The Government received 38 bids from cities, towns and counties across England. There is strong competition for devolution powers and some bids are further advanced than HotSW. Nevertheless, the Government has subsequently asked us to produce detailed devolution proposals by the end of 2015 with a view to negotiating a formal deal thereafter.
- The process to produce formal proposals is now under way and is being coproduced across the HotSW. This report updates Hub Committee and the Council on the necessary activity to date and seeks endorsement of the council's role in producing formal proposals to the Government's timescales.
- Any final devolution deal with government will be subject to further approval / ratification by all partners individually.

2. Background

- The Government has declared its desire to devolve powers and budgets from Westminster to local authorities, along Local Enterprise Partnership geographies. The Chancellor of the Exchequer is particularly interested in devolution as a driver of economic growth and reducing reliance on the public purse.
- In general, devolution is expected to support the following areas of government policy:
 - Increased productivity
 - Skills and employment
 - Housing
 - Reducing the cost of the public sector
- Many devolution deals are being developed by consortia of local authorities and their Local Enterprise Partnerships. The largest agreed deal so far is the Greater Manchester Devolution Agreement. Known as the 'Northern Powerhouse' this deal will:
 - Join up economic growth agendas and public service reform
 - Health and social care integration

- Devolve business support and skills/training/apprenticeship budgets
 - Create a directly elected Mayor with transport, strategic planning, housing development and Police and Crime Commissioner powers
- Cornwall Council have also recently agreed a devolution deal to give them greater power and influence over business support, skills and employment support, EU funding, and health and social care integration. During tough negotiations with Government they demonstrated that an elected Mayor for Cornwall was not required for their area.
 - During August, Heart of the South West Leaders agreed to produce a high-level set of ambitions stating our desire to negotiate a devolution deal with government where we would make improvements to our area in return for increased powers and responsibilities.
 - The Heart of the South West Devolution Statement of Intent was submitted to Government and made public on 4 September 2015.
 - The Government praised our statement of intent for its clarity and ambition and asked us to move forward swiftly to produce detailed, formal proposals and begin negotiation with them on a formal deal.
 - Government's expectation is that we will submit proposals before the end of 2015 and carry out formal negotiation in early 2016.
 - Therefore, partners are now working on formal proposals and preparing for high-level discussions with Government.

3. Outcomes/outputs

The Council has an opportunity to benefit from devolution across a wide range of topics and services. Benefits may include increased powers over decision-making and funding, leading to decision-making that more closely reflects local needs, improves services and reduces costs.

Devolution has clear links to, and potential to enhance the benefit of the Council 'Our Plan' strategy and links into the Councils transformation programme T18.

These recommendations seek to gain authority to pursue solutions that help the Council maximise the opportunities of devolution. They do not commit the Council to a formal devolution deal, only to make and negotiate on proposals.

At this stage of the process the Council is not required to take decisions on the detail of what would be delivered under any devolution deal or possible future governance arrangements but rather to be actively aware and involved in discussions.

Consultations undertaken

Despite the Government’s challenging timescales to date, efforts have been made to keep Members informed on the development of the proposals and this will continue going forward.

Any final devolution deal with government will be subject to:

- Further approval / ratification by all partners
- Consultation, as appropriate, before delivery of parts of the deal

4. Options available and consideration of risk

- Options considered and reasons for rejecting them

Alternative approach	Reason for rejection
Not to participate	There is significant potential benefit to West Devon through devolution which can be explored with minimal risk.
To submit proposals based on a different geography	Government has confirmed that the preferred geography for proposals is based on Local Enterprise Partnership boundaries.

- Failure to secure a deal may affect delivery of the Council’s ambitions. Implications will be addressed as any devolution deal is developed and agreed.
- One or more partners may choose not to proceed with a formal bid which could result in the bid floundering.

- There are not considered to be any other implications at this stage however the whole population of our authority could be affected by a devolution deal.
- Any final devolution deal with government will be subject to further approval/ratification by all partners, and will require other implications and impacts to be considered at that stage.

5. Proposed Way Forward

Next Steps: Producing formal devolution proposals

- At a meeting on 5 October it was agreed to write our Statement of Intent by 'themes' so partners could share the load of producing detailed proposals for the final bid document.
- A governance theme will ensure that governance for the devolution deal is acceptable and equitable to all partners and will be brought back to partners for final decision.
- A Programme Management Office is overseeing delivery of each chapter and maintaining communications between partners. Currently this Office is funded through existing resources. It is important to note that each partner remains responsible for their own governance processes and public/in-house communications.
- Each theme 'chapter' will demonstrate a thorough understanding of the issues and the difference that devolved powers and funding would make, including:
 - A robust evidence base
 - A series of 'offers' to government and 'asks' from government showing:
 - Stretching targets
 - Demonstrable outcomes for the Heart of the South West area
 - Resource requirements including an analysis of costs and benefits
 - Impact assessments
 - Proven capacity and capability to deliver

Engagement with Members and partners

- Producing the formal bid is a fast moving process involving many organisations and individuals. In order to keep Members informed and provide background information for partners, the Devolution Programme Management Office produce a weekly newsletter for all partners as well as more detailed updates as they become available.

- Council Members will be kept informed as work continues, including through regular updates, member events and informal briefings
- There is significant discussion under way between partners to produce proposals acceptable to all and more will be known as the bid develops. Furthermore the Statement of Intent's working principles include an agreement that proposals will do no harm, even if a particular proposal offers no advantage to a given area.

6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		None at this stage. Implications will be addressed as any devolution deal is developed and agreed
HR		None at this stage. Implications will be addressed as any devolution deal is developed and agreed
Financial		<p>Until detailed devolution proposals are developed, financial implications can only be generalised. They fall into three categories:</p> <ol style="list-style-type: none"> 1. The Government requires devolution to be a fiscally neutral process – power over funding may be transferred but no new government money will be made available except potentially for 'pump priming' activity 2. There is potential for savings across the public sector in the Heart of the South West and proposals are being developed with this in mind 3. The Government may however attempt to negotiate additional spending by the council or other partners as a requirement of one or more parts of the final deal
Risk		As noted in para 4
Comprehensive Impact Assessment Implications		
Equality and Diversity		None at this stage

Safeguarding		None at this stage
Community Safety, Crime and Disorder		None at this stage
Health, Safety and Wellbeing		None at this stage
Other implications		None at this stage

Supporting Information

Appendices: Draft Proposal – Appendix 1

Background Papers:

Statement of Intent – e-mailed to Members on 5 October 2015

Draft Proposal

Draft Governance paper

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

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DRAFT

Devolution for the Heart of the South West A Prospectus for Productivity

“One programme, three plans, £4 billion in productivity by 2030”

The Heart of the South West sees devolution as a long term strategy with enormous potential. We know that sustainable growth, improved productivity and true transformation require resources and careful planning on top of ambition. To this end we propose to deliver our devolution deal through a single investment programme and three interwoven strategic plans.

One programme

We propose to create a single investment programme to underpin all funding devolved to the heart of the South West. It will be comprise devolved Government funds alongside in-scope local resources, and incorporate tools for borrowing, revolving funding and reinvesting in growth, infrastructure, resilience, and public sector reform.

This new funding ‘pot’ will be underpinned by three key plans to deliver our devolution deal.

Three plans: from here to 2030

Delivering sustainable productivity and growth from a shared HotSW vision and strong partnership between public and private sectors, requires transparent, long term and forward-thinking plans to succeed. Our proposals for devolution sit under three headings.

- **A Strategic Infrastructure Plan** – this will be our area’s chapter in the National Infrastructure Plan, and the basis for future strategic infrastructure investment in connectivity and long-term resilience.
- **A Strategic Development Plan** - detailing our intentions for targeting devolved funds and powers to where they can best increase productivity and reduce public-sector spending.
- **Our Strategic Economic Plan** – aligning national and local investment to support growth and boost productivity.

An additional £4bn growth by 2030

With a devolution deal, we project that by 2030 our area will add £50bn GVA per year to the nation’s economy. This represents transformational growth, generating £4bn more than without devolution, and up to 80,000 additional jobs.

Leadership

We know that to transform the Heart of the South West, we must demonstrate our capacity to deliver. We have an excellent track record on a wide range of schemes and will develop a transparent, robust and efficient governance mechanism for our devolution deal. Residents and Government alike will know who is responsible for our successes, and accountable for any failures.

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What is the Heart of the South West?

Like a language with many dialects, the Heart of the South West has a coherent vision for devolution yet understands that variations across the area must be embraced in order to deliver the immense productivity and efficiency opportunities available.

A distinctive whole...

Our area covers 4000 square miles. We comprise 17 councils, two national parks, two world-class universities, 6 acute hospitals, international communication hubs, shared strategic road and rail infrastructure, the vanguard of the national nuclear renaissance, vibrant cities and towns and a stunning natural environment.

We have a combined GVA of £30bn, and a population of 1.7million.

We also suffer some particular challenges:

- Our comparative productivity is 29th out of 39 LEP areas
- A skills challenge: first rate educational institutions and yet our need for skilled workers remain stubbornly wide and some areas amongst the furthest in the country from a university
- Our health and care systems will be overwhelmed by the 31% of people who will be over 65 by the mid-2030s

...with unique needs and approaches

Distinct challenges and opportunities are a fact of life in an area as diverse as ours, and our devolution proposals respect and capitalise on that.

Some parts of our devolution deal will benefit some partners more than others. For example, capitalising on the potential of new nuclear, marine and aerospace represent key sectoral aspirations for our area, whilst physical and virtual infrastructure will benefit the entire area and link us more strongly to our neighbours and to the world. We wish to embrace this diversity:

"To reposition the Heart of the South West's profile and reputation, nationally and globally. Connecting people, places, businesses and ideas to transform our economy, securing investment in infrastructure and skills to create more jobs and enable rewarding careers."

Heart of the South West Local Enterprise Partnership Mission Statement

Plymouth

The largest urban centre in the area and a key growth location, Plymouth's population is set to rise to 300,000 by 2031 and the city must be empowered to create the right conditions for jobs and homes growth. Building on the success of the Plymouth and South West Peninsula City Deal, and aiming to become one of Europe's most vibrant waterfront cities, its growth plans focus on:

- **Regeneration of the City Centre and the Waterfront** to deliver 10,000 jobs, 5000 homes and investment in sector strengths from high tech marine to tourism and leisure
- **The Northern Corridor** to deliver 8000 jobs - many in the science and medical technology sectors - 6,600 new homes and major transport improvements;
- **The Eastern Corridor** which provides opportunities for strategic housing and employment sites, delivering 12,000 jobs and 8,000 new homes.

Greater Exeter

Comprising the city and neighbouring districts, it is also a key engine of growth. Innovation Exeter partners wish to build on this by shifting the economy towards professional, scientific, and technical business sectors, taking advantage of knowledge sector assets such as Exeter University. Building from successes such as the Science Park, Innovation Centre and Innovation Zone, new objectives include:

- A **Global Environmental Futures Campus**, and **Impact Lab** at the Exeter Science Park
- An international **Research and Innovation Institute** to explore the impact and exploit opportunities presented by climate change
- Becoming a major centre of expertise in new approaches to achieving truly **sustainable cities**

Others

To follow as required

Strategic Infrastructure: Investment, connectivity, resilience

A Strategic Infrastructure Plan will allow us to identify what our economy needs and marshal the resources to deliver long term sustainable economic growth.

Infrastructure for accelerated growth

For maximum benefit from devolved infrastructure powers and funding, a comprehensive strategic plan for infrastructure is required: we need solid foundations to build on.

We ask for	We offer	Outcomes we will deliver
<p>Government to work with us to develop and deliver a comprehensive and radical 30 year Strategic Infrastructure Plan for the Heart of the South West, to support strategic development across the entire South West</p> <p>Government to jointly own the Plan, and devolve funds and powers to deliver it.</p>	<p>We will use this plan to:</p> <ul style="list-style-type: none"> • Provide Government with a single point of conversation with our area. • Agree clear investment and development priorities • Deliver beyond our existing infrastructure targets. • Accelerate delivery of key housing and employment targets. • Put in place the foundations for long term growth and economic prosperity • Inform the National Infrastructure Plan. <p>We will pool resources across the Heart of the South West and deliver efficiencies alongside accelerated growth</p>	<p>Stronger and sustained economic growth.</p> <p>Greater productivity</p> <p>Enable Government to meet its infrastructure commitments</p>

Energy infrastructure

We ask for	We offer	Outcomes we will deliver
Government to prioritise	We will expedite planning	The HotSW area will

<p>National Grid network developments including to support Hinkley, Marine energy developments and other distributed energy supplies.</p>	<p>consent for grid infrastructure, including F Line. We will expedite planning for marine demonstration sites.</p> <p>We will consider whether retained Business Rate income can be used to facilitate renewable energy schemes.</p>	<p>contribute more energy to the grid.</p> <p>The incidence of fuel poverty in the area will be reduced.</p> <p>More sustainable solutions will be found for areas that are off gas grid provision.</p>
<p>We ask Government to devolve feed in tariffs and community energy funds to our overall infrastructure pool.</p>	<p>Our area will serve as a test bed for demand management initiatives such as smart metering, smart grid solutions, energy storage and supply/demand linkage.</p> <p>We will intensify support for community scale renewable schemes.</p> <p>We will invest in local renewable energy schemes and associated grid developments.</p>	<p>Help Government deliver its national long term energy strategy and global energy commitments</p>
<p>We ask Government to devolve ECO funding incentives to our overall infrastructure pool.</p>	<p>We will invest in energy efficiency and community renewables schemes.</p> <p>We will prioritise areas of high fuel poverty, including those areas that are off the gas grid.</p>	

Transport

Transport links are vital to our area. Improved connectivity through a faster, more resilient transport system with better and well maintained roads, railways and faster journey times across the Heart of the South West, and the region, underpin our economy and are key to delivering further growth. Key initiatives include the A303/A358/A30 corridor, Peninsular Rail Task Force and North Devon Link, however more needs to be done. In Somerset alone, 90% of roads are designated 'C' or lower.

To increase productivity and growth, we must help our businesses and residents travel efficiently across our area. This will link our strategic housing and employment sites, encourage businesses to invest in our area, help our rural and tourism economies, and improve connectivity of the Heart of the South West with the rest of UK Plc.

We ask for	We offer	Outcomes we will deliver
<p>Government to reaffirm and commit to deliver, to expected timescales:</p> <ul style="list-style-type: none"> • Major road improvements to the M5, A303, A358, and A30. • Smaller scale yet key improvements to the A303/A30 between Ilminster and Honiton, the A38 and North Devon Link Road. • Add Plymouth to the network of Strategic National Corridors. 	<p>We will assist Highways England in delivering timely development consents, sharing information and expertise and assisting with community engagement to minimise objections to schemes.</p> <p>In partnership with neighbouring areas and Highways England, we will use our experience in delivering major transport schemes, preparation of business cases, designs, and funding of preparatory costs for major road improvements.</p>	<p>Stronger growth and greater productivity through improved road, rail and bus transport networks.</p> <p>Unlocking of key development sites, enabling growth.</p> <p>Reduced congestion.</p> <p>Increased productivity through reduced travel times.</p> <p>Improved quality and resilience of the highway network</p> <p>Efficiencies and savings.</p>
<p>To be released from the restrictive and short term Control Period funding cycle to allow the region to develop and deliver an accelerated programme of rail investment.</p> <p>To increase capacity and resilience of the</p>	<p>We will lead as scheme promoter in commissioning competent third parties to design, finance and build selective additional rail infrastructure schemes that are outside of the Control Period cycle: Network Rail to maintain</p>	<p>Cross-network benefits, in particular:</p> <ul style="list-style-type: none"> • Short electrification schemes • Northern line between Exeter and Plymouth via Okehampton • Key line speed improvements • Improvements between Exeter and Axminster.

<p>rail network</p>	<p>completed infrastructure, our costs recovered through usage charges underwritten by the Department for Transport.</p>	
<p>Devolved funding and commissioning powers for bus services where there is a need and where the local authority agrees that it is a necessary step.</p>	<p>We will assist government to reduce spending on fuel subsidy; reduce concessionary fare costs.</p>	<p>Stronger growth and greater productivity through improved bus transport networks.</p> <p>A greater proportion of local bus investment to support essential services that are not commercially viable</p>
<p>We ask Government to devolve Air Passenger Duty from Exeter Airport enabling the duty to be set locally, without loss of other sources of government funding.</p>	<p>We will use Air Passenger duty raised to improve this important regional airport and provide a vital transport link, enabling Government to achieve its objectives in relation to growth and tourism.</p>	<p>Stronger growth and greater productivity through improved air transport networks.</p>

Investment in productivity infrastructure

The announcement to fully devolve business rates to local authorities from 2020 is welcome however ongoing reductions to core local authority budgets and rising demand for key services, means that the desired effect – to encourage further investment in economic growth is weakened. In particular the financial benefits of Enterprise Zones appear to be less attractive.

We ask for	We offer	Outcomes we will deliver...
<p>Government to reaffirm its commitment to approved and designated Enterprise Zones.</p> <p>Government to allow us</p>	<p>We will establish and resource a combined business, education and R&D governance structure, based around functional economic areas.</p>	<p>A strategic approach to infrastructure development</p> <p>Greater opportunities for</p>

<p>to designate our own Enterprise Zones, on different forms of growth incentive, including the sea bed.</p> <p>Allow councils to borrow at 0% against future productivity bonus.</p> <p>Ensure all Enterprise Zones have necessary support to install the next generation of Broadband from DCMS.</p>	<p>Where we meet Business Income targets and are eligible for Productivity Bonus, we will reinvest this capital into projects and programmes to encourage further growth.</p> <p>In particular, funding will be placed into the HotSW 'Single Productivity Pot' which we will also use to support Enterprise Zones.</p>	<p>business development and growth</p> <p>Local Authority Economic Development teams focused on productivity drivers.</p>
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Mobile and broadband infrastructure

We want homes and businesses to have access to superfast broadband and reliable mobile connectivity. This infrastructure is vital for growth and productivity: our business community place a very high importance on it. Furthermore the economic and social benefits of digital infrastructure show a 20 to 1 benefit of investment. Our urban areas tend to have good connectivity however rural areas do less well.

Deployment of superfast broadband in under-served areas in Devon and Somerset will assist business competitiveness, productivity and innovation.

Mobile connectivity has significant potential to complement superfast broadband. It has been suggested that 4G LTE rollout could boost the UK GDP by half of one percent – a £1.87bn uplift over a decade across the Connecting Devon and Somerset area based on 2011 figures.

3G is now regarded as a utility yet Ofcom statistics show 3G and 2G coverage is significantly below the national average across Devon and Somerset. Despite additional base stations through the Mobile Infrastructure Project, there is still significant scope for improvement, for instance on main railway lines.

We ask for	We offer	Outcomes we will deliver
<p>Government to match local partner contributions to connect the final 5% of homes and businesses to superfast broadband</p>	<p>We will target investment from our local infrastructure pool for this purpose.</p>	<p>Facilitated growth and improved productivity across the area. Public sector improvement and transformation.</p>

<p>Government to work with us and OFCOM to provide high speed broadband to all employment and key development sites.</p>	<p>Local authority partners will develop a consistent approach to planning policy to deliver superfast broadband on all new business and residential sites, including</p> <p>We will fast-track planning consents for masts and other infrastructure.</p>	
<p>We ask Government to prioritise the Connecting Devon and Somerset Ultrafast bid for £4m funding to 4,000 premises by December 2017.</p>	<p>Local planning and highways authorities will work together to expedite planning consents, wayleaves and highways permissions.</p>	
<p>Government to facilitate conversations with providers about strategic development of mobile connectivity in the area, including 4G and 5G.</p> <p>Government to instruct Mobile Network Operators and Network Rail to provide uninterrupted mobile connectivity in the South West Peninsula and on the main rail lines to London, Midlands and the north</p>	<p>Local authorities will enter into discussions with telecoms providers on how the public estate could support continuous mobile connectivity.</p> <p>Local authority partners will develop a consistent approach to planning policy to deliver planning consents for mobile telephony infrastructure.</p> <p>We will advise on local problems with mobile connectivity and hot-spots.</p>	<p>A higher level of mobile connectivity within the area to support growth and productivity.</p>

Built environment

Homes and employment sites are essential to underpin economic growth that can be sustained. We need to accelerate existing housing and employment land allocations, deliver more in key strategic locations, and factor in regeneration and remediation for improved socio-economic outcomes.

It is essential for growth and productivity that we address high house and land values, low wages, poor connectivity to national and international markets, and real or perceived slowness in delivering. Our offers and asks seek to address these problems.

Accelerated housing and employment in the identified Growth Hubs

We have areas of high demand in the Heart of the South West, dynamic cities and towns, ambitious plans for growth in key locations, and the desire to be creative to deliver what is needed.

We ask for	We offer	Outcomes we will deliver
<p>Devolution of £1bc a year for 30 years of government resources to fund land assembly, infrastructure, site remediation and regeneration</p> <p>Continued New Homes Bonus funding in Growth Hubs</p> <p>To be able to borrow against current and future Community Infrastructure Levy receipts</p> <p>Asset transfer of key Network Rail sites</p> <p>An ask around Environment Agency and Natural England</p>	<p>Accelerated housing and employment growth in the identified Growth Hubs of:</p> <ul style="list-style-type: none"> • Plymouth • Greater Exeter • Torbay • Hinkley Growth Zone <p>To create a revolving investment fund for land assembly, infrastructure, site remediation and regeneration</p> <p>Fast-track delivery of strategic sites through an innovative commissioning approach so that more land value uplift is re-invested locally</p> <p>The provision of local authority serviced plots for private sector development, self-build and starter homes</p>	<p>Housing and employment land allocations accelerated by 20%</p> <p>Lead in period for key strategic site development reduced by 50%</p> <p>Cost-effective delivery of enabling infrastructure enabling increased private sector investment</p> <p>Land uplift values reinvested into infrastructure and low cost ownership</p> <p>Key rail stations regenerated and developed</p> <p>Acceleration and alignment the completion of Local Plans across HotSW, respecting the primacy of local planning authorities.</p>

<p>requirements</p> <p>Powers to fast-track strategic planning processes</p> <p>Exemptions from 5 year land supply rules to support strategic growth sites</p>	<p>Willingness to borrow against CIL receipts and prioritise spend to accelerate delivery.</p> <p>Commitment to contribute a proportion of New Homes Bonus into the investment fund</p> <p>Partnership with the HCA to align funds and CPO powers to delivery strategic sites and locations of growth.</p> <p>Regeneration and high density development around key Network Rail sites</p> <p>To pilot innovative approaches to strategic planning for growth</p> <p>To pilot innovation in the delivery of growth through new modals</p>	<p>Clear, consistent and stretching investment strategies</p> <p>Improved housing stock Reduced fuel poverty and deprivation.</p> <p>Improved health outcomes</p> <p>Employment and training opportunities for local residents</p> <p>Reduced opportunities for crime and anti-social behaviour</p> <p>Reduced carbon emissions</p> <p>Lead in period for key strategic site development reduced by 50% by 2026</p> <p>£tbc private sector investment by 2026</p> <p>£tbc local funds reinvested into infrastructure and low cost ownership by 2026</p> <p>Fast-tracked plans in place by 2017</p>
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Co-ordinated development management services that deliver accelerated growth across the area

We ask for	We offer	Outcomes we will deliver
<p>Agreement to local planning authorities having local control over planning fees</p>	<p>A collective approach to using existing CPO powers to speed up land assembly</p>	<p>Housing and employment land allocations accelerated</p>

<p>Changes to regulations governing the planning process so that CPO procedures are simplified where necessary</p> <p>Exemption from section 106 and CIL implementation to enable infrastructure to expedite growth</p>	<p>A collective approach to unlocking banked or stalled development sites</p>	<p>Fast tracked consents for housing and employment applications</p> <p>Planning fees set to more accurately reflect time and cost of service delivery and to create capacity to support growth.</p> <p>Performance targets aligned to growth objectives and major applications.</p> <p>A single developer agreement for CIL and section 106 obligations.</p>
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A stronger supply chain for housing that better meets specific housing needs within the area's overall housing supply

We ask for	We offer	Outcomes we will deliver
<p>Devolution of HCA National Affordable Housing Programme to a local Housing Delivery Fund.</p> <p>Flexible criteria on Starter Homes Scheme</p> <p>CITB levy to be devolved locally</p>	<p>To establish a local Housing Delivery Fund to support sites being brought forward</p> <p>We want to work with HCA and the government to coordinate investment and agree and implement an ambitious plan for delivering more starter homes.</p> <p>We will develop funding to invest in housing schemes to support the delivery of low-cost starter, rural affordable, self-build and extra care homes</p>	<p>Increased take-up of the Starter Homes Scheme in the area</p> <p>Direct local training funds to local construction skills needs</p> <p>5000 local low cost houses</p>

	<p>Consistent approach to s106 for support for construction skills</p> <p>To commission the manufacture of local low cost houses linking to local supply chains built with local labour over 10 years</p>	
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Flood and coastal defence, resilience and protection

Our Strategic Economic Plan shows that protecting our communities, businesses and infrastructure from flooding is a pre-condition for growth.

Environment Agency data shows that there are 27,850 residential and 13,720 commercial properties at significant risk of flooding by rivers or the sea. This will nearly double by 2035 without additional action.

In recent years the Heart of the South West has suffered from flood and storm damage and this has harmed our economic prospects as well as our communities and businesses.

Protecting the economy to help it grow, and building for the future

We want to keep our area open for business, create an environment where the economy can grow in safety, and offer more security to at-risk communities. In doing this, investment in flood defence infrastructure can also be a source of job creation, both in the construction and land-based sectors.

We ask for	We offer	Outcomes we will deliver
Legislation to enable the Somerset Rivers Authority and other areas with flood risk issues to become precepting authorities.	Capacity to continue to deliver the 20 Year Somerset Levels and Moors Flood Action Plan. A rolling programme of flood risk management, infrastructure resilience and community resilience activities: we will contribute to interim funding	Income stream to fund development of and maintenance of schemes A higher level of protection than nationally affordable: over and above the activities of the HotSW's Risk Management Authorities (RMAs).
Devolution of Coastal Communities Funding to our overall infrastructure pool and provide interim		

<p>funding whilst this is developed.</p>	<p>required.</p> <p>Joint working between the RMA's to deliver efficiencies in planning and delivery.</p>	<p>Reduced risk of and increased resilience to flooding, minimising negative economic impacts.</p> <p>Increased confidence in HotSW as an area to do business.</p> <p>Better integrated and cost effective investment programmes between Risk Management Authorities</p>
<p>Convergence of funding criteria for flood and coastal resilience and protection infrastructure.</p>	<p>tba</p>	<p>tba</p>
<p>Government commitment to a programme of flood and coastal risk schemes through the devolution of funding and decision-making through the 'Short Form Project Appraisal Process'.</p>	<p>We will create a prioritised investment programme reflecting the specific requirements of our area.</p>	

Strategic Development: skills, employment, public sector reform

Skills and employment

Devolved powers will give employers a voice in skills and training policy, help them to recruit and retain the workforce they need, and ensure no-one is left behind. Many sectors in the Heart of the South West cannot realise their true potential because of a lack of skilled workers. This problem affects both public and private sectors. The Higher Education sector is vibrant in some areas but in other areas it is largely absent – Somerset for example would benefit from a university.

A Strategic Development Plan

We want to provide comprehensive access to education and skills, and for vocational opportunities to be as attractive and rewarding as academic choices.

We ask for	We offer	Outcomes we will deliver
A mechanism for agreeing and aligning short and long term interventions and resources in the Skills and Employment area with Government	To develop a 30 year Strategic Labour Market Plan focusing on skills and employment, taken forward by the Employment and Skills Board	Single agreed framework for skills and employment interventions and outcomes for the Heart of the South West

Careers Information, Advice and Guidance: Poor performance of 11-18 School Based and Further Education CIAG

Students are underserved by existing provision, which is fragmented and inconsistent across the area and between education providers. GCSE outcomes and wider skills performance reflects this. Ongoing challenges on aspiration and a significant mismatch between learner destination and local economic needs are clearly evident and impacting on our economic potential.

We ask for	We offer	Outcomes we will deliver

Fully devolved control of DfE CIAG Budgets and powers to influence funding already in School Funding Formula for CIAG activity	Establish a new governance structure across HoTSW for this work, including aligned funding and resourced.	A comprehensive multi-pathway advice service for the entire HoTSW.
Closer working relationship with Ofsted on relevant aspects of inspection framework	A clear mechanism for engaging with Ofsted and other key partner, with the ability to reshape the agenda.	Improved outcomes: <ul style="list-style-type: none"> • Destination of learners • The economy.
	A single strategic approach to school and FE based CIAG across the area.	A more efficient service able to do more with less.
		A stronger route to vocational provision and non-academic opportunities.
		Reduction in NEET numbers.

Careers Information, Advice and Guidance: Provision of Post 18 CIAG not informed and reactive to local economic priorities

Adult CIAG is focused heavily on generic skills sets and activities, reflecting national contracting requirements. There is a lack of joining up with local requirements and tailoring to meet HoTSW needs. There's also an imperative for strengthening employer engagement.

We ask for	We offer	Outcomes we will deliver
Fully devolved control of adult CIAG provision.	A new governance structure, as above, A new joint working group will produce and oversee an adult CIAG business plan.	An aligned and comprehensive multi pathway advice service which is consistent and impartial, covering the HoTSW area Improved economic outcomes, specifically <ul style="list-style-type: none"> • Upskilling • Enhanced diversity and value

Level of per Pupil Funding lower than the national average. Issue exacerbated with further reductions at age 16-17 and at age 18

Funding for individual pupils in the Heart of the South West is lower than elsewhere in the UK.

Lack of investment has downstream effects on learning outcomes and there is significant level of demand for post-16 remedial Maths and English education.

We ask for	We offer	Outcomes we will deliver
Equity for the Heart of the South West in per pupil funding compared to the rest of the country	To develop an employer-led business case and delivery plan to best use the additional funding.	Enhanced GCSE outcomes and longer term academic and vocational achievement and employability. Increased apprenticeship numbers Reduction in related cost base for remedial Maths and English training post 16. Better vocational outcomes.

Higher than UK average NEET levels in pockets of our rural and urban communities.

NEET levels are falling overall, but ongoing challenges in concentrated areas persist, revolving around urban deprivation and rural peripherality,. National contracting of provision and monitoring limits our flexibility and support for SEN groups needs to be enhanced.

We ask for	We offer	Outcomes we will deliver
Co-commissioning Young People Programmes with DWP, SFA and Cabinet Office	Establishment of a joint commissioning board, bringing together funding, resources and intelligence.	Provision targeted to meet evidenced local challenges. Reduced numbers of NEETs within the HotSW

<p>More influence over EFA, SFA and Ofsted on for 14-19 pathways beyond academic routes</p>	<p>Establishment of a NEET action plan for the area, including a focus on those with special educational needs.</p> <p>We will focus on the top 10 underperforming locations for NEETs</p> <p>Influence and shaping of ESF Programme as it emerges.</p>	<p>Significant reduction in the number of wards within the bottom 20% nationally by 2020.</p> <p>Improved educational and economic outcomes for under 24s,</p> <p>Reductions in benefit claimant numbers and service costs.</p>
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Poor employability skills amongst some young people

A lack of coherent engagement between education providers and employers causes a lack of basic employment skills amongst education leavers and as a result, poor employment prospects.

We ask for	We offer	Outcomes we will deliver
<p>Influence over EFA, SFA and Ofsted to increase employer contribution and engagement in delivery / work experience within provision.</p>	<p>Establishment of combined employment and skills governance arrangements for the HotSW area.</p>	<p>Improved employability and work readiness of young people.</p> <p>Longitudinal improvements in career progression and achievement across the economy.</p>
<p>Outcome based funding for 14-19 provision, including schools.</p>	<p>An outcomes-focused approach and reinforced employer led strategy.</p> <p>Alignment with business support asks to encourage the business community to better engage with school and young people.</p>	<p>Improved employer buy-in and involvement in shaping training and work preparation activity.</p>

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We need more flexibility in apprenticeship provision to meet local needs, in particular around qualifications and imposed additional requirements. Furthermore, there is weak employer engagement, especially amongst SME and Micro Businesses

Apprenticeship provision and uptake rates are mixed across the HotSW area, with some employers finding them inflexible or being put off by related costs and additional training requirements (above and beyond the placement itself). This is particularly true amongst SME and micro business, where the focus on the process being business led has acted as a further disincentive to individual businesses. The lack of business-specific accreditation or fit is also a key issue amongst the area's diverse economy.

We ask for	We offer	Outcomes we will deliver
Co-commissioning of apprenticeship services with SFA, moving towards full devolution, to target apprenticeship provision in strategic growth sectors	Establishment of combined employment and skills governance arrangements for the HotSW area. Employment and Skills Action Plan for the area. Existing provision within LA control drawn into control of the board.	Significant increases in apprenticeship numbers generally and across a broader number of sectors. More higher level traineeships and apprenticeships? More apprentices taken on by micro, small and medium enterprises.
Creation and funding of an Apprenticeship Skills Bank programme with the SFA, alongside relevant funding flexibility.	Apprenticeship Skills Bank programme to be jointly resourced,	A better offer to young people furthest from the labour market. Improved numbers undertaking wider employability and

Continuation of existing funding and resources: current programme due to end in 2017.		traineeship placements.
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There is insufficient adult skills funding and insufficient higher level and specialist skills provision (level 3 and above) to drive priority sectors

The Heart of the South West does not receive enough adult skills funding in the right areas or with the right flexibilities to meet the needs of our economy.

The result is gaps in broader labour market, and over provision in some generic skills. There are particular challenges in social care, health, construction and manufacturing.

Furthermore, funding for level 3 and specialist skills is heavily restricted by age and sector. This reinforces existing labour patterns and undermines the economy.

We ask for	We offer	Outcomes we will deliver
<p>Co-commissioning with the SFA, moving toward fuller devolution so funding continues to be directed towards greatest local priorities and fits with local economic opportunities.</p> <p>We want additional flexibility to allow local partners to best attract and train local adults, both reinforcing local economic conditions, and also address public sector cost issues related to underemployment.</p>	<p>Establishment of combined employment and skills governance arrangements for the HotSW area.</p> <p>Employment and Skills Action Plan for the area.</p> <p>Existing provision within LA control drawn into control of the board.</p> <p>Improved tailoring / targeting of provision</p>	<p>Better outcomes for learners and employers.</p> <p>Improved ROI on individual training costs.</p> <p>Gaps in the wider labour market filled and priorities identified for local provision.</p> <p>Wider reduction in service costs across the public sector, related to health, justice and crime and housing.</p>

Ongoing and increasing competition between providers is preventing cost effective solutions for poor lower level skills.

There is fragmentation and misalignment across the sector arising from competition for the most lucrative provision under national contracting. A focus on higher value business provision often misses small business and local needs. Reductions in adult skills budgets further incentivises pursuit of 14-19 learners and related funding.

We ask for	We offer	Outcomes we will deliver
Co-commissioning with the SFA, moving towards fuller devolution, to strengthen internal collaboration between public and private providers.	Establishment of combined employment and skills governance arrangements for the HotSW area.	Better alignment of provision, reduced duplication and conflict in the FE sector.
Direct influence over the area based review process so outcomes support our devolved approach.	Employment and Skills Action Plan for the area. Existing provision within LA control drawn into control of the board. More provider incentives (sanctions and rewards)	Unit costs of delivery reduced over time, whilst relevance of outcome for local economy improved. Outcome based metrics demonstrate clear link to improve GVA outcomes and productivity.

Ongoing challenges with high levels of in-work poverty, seasonality and inter-generational unemployment.

Provision of support for the workless is ineffective for those furthest from the labour market. There is evidence of a lack of progress on Employment Support Allowance (ESA) despite significant investment and benefit reform.

With historically low unemployment in the area, this group is currently a top priority for our labour market. However, few tools are in local hands to address challenges.

In addition a lack of advice and support for those in work but underemployed reinforces this long term trend.

We ask for	We offer	Outcomes we will deliver
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<p>Co-commissioning with DWP of provision for ESA clients, the Flexible Support Fund and the Work Programme, moving towards a local commissioning model in the medium term.</p>	<p>Establishment of combined employment and skills governance arrangements for the HotSW area.</p> <p>Employment and Skills Action Plan for the area.</p> <p>Existing provision within LA control drawn into control of the board.</p> <p>Learning drawn from the City Deal pilots.</p>	<p>Improved in work outcomes, showing evidence of upskilling in the workplace.</p> <p>Reduction in ESA numbers and other benefit types across the area</p> <p>In work benefit claimant levels reduced through employer led activity.</p> <p>GVA and productivity improvements across area, including within most deprived communities.</p>
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We need better localised integration between employment support services and wider nationally led services (health, mental health, justice)

Service provision for those furthest from the labour market is fragmented between an array of service providers, with no one-stop approach. National evidence however suggests aligning provision gives better outcomes as well as increased efficiency.

We ask for	We offer	Outcomes we will deliver
<p>Co-commissioning of support provision and aligned services to allow wraparound support for the hardest to reach families and individuals.</p> <p>Provision would include Adult Care, NHS, Justice and Education providers and services.</p>	<p>Establishment of combined employment and skills governance arrangements for the HotSW area.</p> <p>Employment and Skills Action Plan for the area.</p> <p>Existing provision within LA control drawn into control of the board. .</p>	<p>Reduction in ESA claimants and other benefit types across the HotSW area</p> <p>Reduced total unit cost for those furthest from the market, benefitting both the NHS, Local Government and DWP.</p> <p>Net increase in tax take and reduction in individual support costs.</p>

We need closer alignment for publicly funded support for self-employment and start-up provision

Self-employment support is often fragmented and sat within employment support provision and services. As such, it often fails to integrate with the wider business support and start up support offer. There are opportunities to use the funding better and achieve a greater return on investment.

We ask for	We offer	Outcomes we will deliver
<p>Full devolution of self-employment and other business start-up funding to local authority control.</p> <p>Stronger referral services between JCP and other providers and mainstream business support provision.</p>	<p>We will align self-employment provision with existing business support infrastructure and resources within the HotSW.</p> <p>We will seek to maximise ROI by better leveraging self-employment support against wider provision.</p> <p>Tailored support to drive new business performance and sustainability.</p>	<p>Increases in self-employment and start up levels over the next five years.</p> <p>Better self-employment outcomes and increased productivity</p>

Health, Social Care and Wellbeing

We want to enable people to lead longer, healthier and more fulfilling lives while ensuring the sustainability of health and care services.

The cost of health and social care in the Heart of the South West is large and increasing.

People who are healthier longer not only enjoy a better quality of life: the public cost of providing health and social care services reduces. Despite the efficiencies being made across the system demand is expected to increase as our population ages.

By changing the way that we design and deliver health and social care in the Heart of the South West - focussing on integration, mental health, public health and early intervention - we can significantly improve the health of our residents, reduce the cost of the public sector, and boost our economy.

Commissioning

We ask for	We offer	Outcomes we will deliver
<p>We want the Government to set long-term (at least 5 years), place-based population budgets for health, care and public health.</p> <p>Alongside this we require the freedom to pool our collective resources.</p>	<p>We will deliver whole system commissioning to meet the needs and priorities of the local population</p> <p>We will take a longer-term view in the return on our investment in preventive approaches</p> <p>We will ensure sustainable investment in prevention as an integral part of health and care pathway commissioning</p>	<p>A health and care system that is commissioned around people and the places where they live</p>
<p>We want the Government to devolve the commissioning of primary and appropriate specialist care services</p> <p>In particular we need powers to commission specialised mental health services so we can build capacity and rethink the system around local needs.</p>	<p>We will work with the NHS to identify which services currently commissioned nationally or regionally would be better commissioned locally.</p>	

Delivery

We ask for	We offer	Outcomes we will deliver
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<p>We want to work with the Department of Health to develop a capitation based payments system that would encourage providers to collaborate and take preventive approaches</p>	<p>We will work to remove 'perverse incentives' that encourage activity rather than improve outcomes</p>	<p>A health and care system that is delivered in a joined-up way</p>
<p>We want to work with NHS England on new forms of contracting for primary care and alliance contracting approaches that encourage provider collaboration and/or integration</p>	<p>We will use the opportunities presented by the NHS England Five Year Forward View to commission in ways that encourage providers to work together and/or reshape themselves to deliver more joined up health and care services</p>	

Regulation

We ask for	We offer	Outcomes we will deliver
<p>We want the Department of Health to work with us to adapt regulations so they encourage whole system working and sector-led improvement</p>	<p>We will participate in trials of any changes in regulation, and encourage local Scrutiny, Health and Wellbeing Board and Healthwatch to take part.</p>	<p>A health and care system that is regulated in a way</p>

<p>We want freedom to develop single frameworks for performance, finance, and transformation across local health and care systems while remaining committed to high-level national outcomes frameworks</p>	<p>We will ensure our frameworks are relevant to the needs, priorities and outcomes of our local population, addressing inequalities while meeting the pledges of the NHS Constitution</p>	<p>that best enables it to improve</p>
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Prevention

We ask for	We offer	Outcomes we will deliver
<p>We want the Government to make the changes outlined above in funding, payment, commissioning, contracting and regulatory arrangements to enable prevention to be integral to all health and care commissioning</p>	<p>We will intensify our conversation with local people to determine their priorities and establish mutual expectations and responsibilities, working with our vibrant voluntary and community sector</p> <p>We will take advantage of our larger geographical footprint by exploring the potential of new approaches such as social finance and social marketing</p>	<p>A health and care system that has prevention embedded and encourages and supports people of all ages to make healthy lifestyle choices and manage their own care diverting or delaying dependency</p>

<p>We want the freedom to develop local conditions and criteria for accessing and choosing between services: within the framework outlined in the NHS Constitution</p>	<p>We will make healthy lifestyle choices the easy choice through our whole system approach to prevention with a particular focus on addressing inequalities of healthy life expectancy.</p> <p>We will promote our unique environment as a 'Natural Health Service'</p>	
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Sustainability

We ask for	We offer	Outcomes we will deliver
<p>We want the freedom to manage the public estate locally</p>	<p>We will sweat our assets by redeploying them or reinvesting funds realised through sale into the health and care system</p>	
<p>We support the freedoms requested elsewhere in our bid to address local challenges in the health and care workforce</p>	<p>We will use these freedoms to work with Health Education South West and Skills for Care to recruit, develop and retain people in key roles.</p> <p>We will do this by taking a strategic approach, for example:</p> <ul style="list-style-type: none"> • Promoting the Heart of the South West to live and work in • Developing career pathways • Aligning HR policies 	<p>A health and care system that is financially sustainable and makes best use of the resources available to it</p>

<p>We support the freedoms requested elsewhere in our bid to improve transport infrastructure and the availability of affordable housing</p>	<p>We will explore how essential workers in the sector can better access housing and transport opportunities</p> <p>We will improve the links between housing and care strategies to better support people to live well at home</p>	
<p>We want the Government to ensure that standards and approaches in NHS and Local Government information technology, sharing and governance are compatible, including ensuring that health and social care data across the system is linked by NHS number and available to all commissioners</p>	<p>We will increasingly integrate infrastructure and systems to enable services to be developed around the person</p> <p>We will oversee the South West Academic Health Science Network so our combined intelligence enables more sophisticated analysis of demand, supply and cost across the health and care system</p>	

Strategic Economy: business, innovation, growth

Business Support

The business support landscape is complex.; recent mapping has identified in excess of 200 separate business support services.

Enterprise & Business Growth: More businesses to take up support, as these do better than those that do not

Businesses in the Heart of the South West and the public sector partners in the LEP have a shared ambition for a 'Growth Hub' to provide simple, easy access to the area's business support services.

A significant barrier is the complexity of the central government and European funding currently available. A complex web of accountabilities, performance frameworks and funding conditions make it extremely difficult to design a seamless Growth Hub service. It is therefore unsurprising that a number of national business support offerings have struggled to make significant inroads into our business community.

Furthermore, this complexity, in addition to the uncertainty about the future funding available for Growth Hub activity, makes it very difficult to plan ahead or to attract match-funding.

We ask for	We offer	Outcomes we will deliver
<p>A 5-year Growth Hub, Skills Hub and Growth Service (MAS) Growth Accelerator programme agreement.</p> <ul style="list-style-type: none"> • Devolved funding for the growth accelerator element • MAS element to be delivered locally with local co-commissioning. <p>Devolution of national business support budgets, including the Business Growth Service.</p> <p>Access to increasing</p>	<p>A new governance structure to drive this work, with alignment of relevant Local Authority funding and resources to implement plans for the Heart of the South West Growth Hub.</p> <p>The Growth Hub will be in place by January 2016 with governance provided jointly by the public and private sectors through the LEP.</p> <p>Integrate delivery of the Hub and growth service with physical business support assets.</p>	<p>Business-led support, tailored to local high-growth industries, fostering growth where it matters the most.</p> <p>Exploitation and networking of managed workspace, innovation centres and science parks.</p> <p>Business support coverage across our urban and</p>

levels of national investment under a 'payment by results' framework with Government		rural geography.
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Enterprise & Business Growth: Business engagement and entrepreneurial culture

The Office for National Statistics has shown that the Heart of the South West has low start-up rates. There are approximately 85,000 businesses in our area and there may be another 100,000 self-employed, small businesses. We need to help people grow their businesses.

We ask for	We offer	Outcomes we will deliver
<p>All careers support to include advice and guidance about running one's own business.</p> <p>Devolution of the DWP budget to locally commission start-up support.</p> <p>All government grants offered to businesses to require support and promotion of enterprise in schools, or start up activity.</p> <p>Devolved HMRC VAT registration workshop budgets.</p>	<p>All LA managed workspace, innovation space, and science parks will provide start up advice and business support, through the Growth Hub.</p> <p>VAT registration workshops will be supported by local business support to help them flourish.</p> <p>All young people aged 16-18 will be exposed to running their own business as a career choice.</p> <p>An HEI commitment to graduate entrepreneurship across all curricula.</p>	<p>Increased start up rates.</p> <p>Increased survival rates.</p>

Innovation and Investment

Science & Innovation: science and innovation not taken up by enough of our businesses

The Heart of the South West ranks 38th out of 39 LEP areas on many standard measures of innovation. This has the potential to portray us as a poor

prospect for generating a return on investment and lead us to be overlooked by investors. The relatively low level of Innovate UK investment in the Heart of the South West in recent years attests to this.

However, the national economy cannot afford to overlook the emerging opportunities in the Heart of the South West and their potential to drive national productivity. National Government has taken a considerable stake in these emergent sectors, for example through:

- Major national and international investment in the nuclear industry at Hinkley Point C.
- Major investment in environmental sciences in Exeter represented by the planned Met Office supercomputer.
- Designation of South Yard in Plymouth as an Enterprise Zone dedicated to supporting innovation and growth in the marine industries.

In addition, the Heart of the South West has existing advanced manufacturing strengths of importance to UK productivity.

If the South West continues to be seen as slow to respond on innovation and science, major new breakthroughs from the sectors will be missed. National Government and a local consortium of business, academia and local government must work together to fully understand and support the opportunities available.

Due to the nature of our businesses the take up of support from Innovate UK is very low: it is not regarded as highly by local business as it could be.

We ask for	We offer	Outcomes we will deliver
<p>A pilot Science and Innovation Audit (SIA)</p> <p>A devolved single 5 year science and innovation investment programme, to direct all Innovate UK funding within the LEP-area.</p> <p>Co-design with Innovate UK a mechanism for calls relevant to the strengths of our area.</p> <p>Devolved Enterprise Europe Network budget</p>	<p>An area-wide multi-partner plan for science and innovation.</p> <p>We will develop a support framework for science and innovation that provides bespoke support for our smart specialisms (see priority 5 below).</p> <p>Greater collaboration between research institutions around transformational opportunities for our area, including with other LEP areas.</p>	<p>Increase uptake of Innovate UK support by 25%.</p> <p>Closer linkages between business, R&D, and productivity.</p> <p>Protection for university and research institutions as a driver of productivity and innovation, attracting and</p>

to local HEIs. Protection of HEIF budgets	Support from Research Institutions to help secure business investment and leveraging off the HEI's Exploit Research Institution's international reach.	securing high-tech jobs and businesses in the area.
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Export, Trade & Inward Investment: we do not attain the levels of inward investment that we could reasonably expect to attract

The inward investment approaches across the Heart of the South West mean that we have an opportunity to significantly improve our offer to prospective investors. As partners we recognise this and we want to find a more effective and efficient way of attracting inward investment.

We ask for	We offer	Outcomes we will deliver
<p>UKTI's export team to work with the UKTI FDI teams in our key sectors, to ensure globally-minded investors are supported to export, supporting the Mayflower 2020.</p> <p>Continuation and expansion of the Britain is Great Marine project.</p> <p>Reallocation of UKTI resourcing and presence to the South West to reflect our nuclear, marine, environmental and aerospace offers and potential.</p>	<p>New governance structure to drive consistency in soft landing services (Business Rates Relief). We will align local authority funding, resources, and account management services.</p> <p>Collaborate with neighbouring LEPs on a cluster approach to inward investment in Aerospace, Marine and Nuclear.</p> <p>We will commit to exploring mechanisms for recycling business rate uplift back into our Inward Investment service.</p> <p>Income streams from Enterprise Zones will be redeployed to resource a collaborative approach to inward investment and further "Enterprise Areas"</p>	<p>Better partnership between different areas of UKTI.</p> <p>Better service to businesses looking to invest in our area.</p> <p>A single point of contact for inward investment to the area.</p> <p>Cross-LEP working to strengthen our area's UK sector offer and inward investment offer.</p> <p>Better UKTI to engagement with the South West</p>

		<p>More inward investment in new nuclear, environmental, marine, aerospace</p> <p>More Enterprise Zones.</p>
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Export, Trade & Inward Investment: businesses do not benefit from globalisation

Growing levels of export and trade are critical to solving the UK's productivity challenge. In the Heart of the South West we have a thriving base of small businesses, but which have a low propensity to export and trade globally. Often trading online is the first step to internationalisation and exporting.

We ask for	We offer	Outcomes we will deliver
<p>Ensure an appropriate proportion of UKTI export service staff are based in or working in our area.</p>	<p>We will allocate EUSIF funding to ensure the best broadband coverage.</p> <p>We will ensure local EU funding supports business uptake of broadband helps to enable international trading.</p>	<p>20% more businesses referred to UKTI by 20%.</p> <p>Number of exporting businesses doubled between 2015 and 2020.</p> <p>All businesses have access to global markets through high speed broadband</p>

Export, Trade & Inward Investment: more international visitors

Tourism is an important sector however the level of promotion of the Heart of the South West by Visit England does not reflect the value of our tourism industry to the economy.

The RGF funding recently allocated to promote the area has very tight deadlines (March 2016) forcing stop/start delivery.

We ask for	We offer	Outcomes we will deliver
<p>Increased HotSW content in Visit England media, and proportional Visit England promotional spend.</p> <p>Extend the funding deadline for the RGF – Visit SW England project to March 2017.</p> <p>Allow any underspend in RGF overall budget to be used to extend the life of the project.</p>	<p>All areas will have a recognised DMO with a plan to increase the economic importance and productivity of the sector.</p> <p>The LEP will capital fund improvements to image and connectivity gateways.</p>	<p>Increase the number of overseas visitors to HotSW by 10% by 2020.</p>

Export, Trade & Inward Investment: increasing use of the online world to access new markets

Research from PayPal has shown that businesses who trade online on average have double the turnover of offline businesses. We want all our businesses to be able to exploit this opportunity to access new national and global markets.

We ask for	We offer	Outcomes we will deliver
<p>Fully devolve the Growth Accelerator budget from December 2016.</p>	<p>We will repurpose some of this funding on an 'exploiting new markets' project, focused on trading and exploiting social media and virtual distribution.</p>	<p>tba</p>

Finance & Investment: maximising the impact of investments through a single productivity pot - National Government Funding

External funding currently enters the Heart of the South West through a number of local, national and European streams.

There is a lack of alignment and strategic oversight between the different funding streams which can lead to isolation and duplication of projects.

We are also aware of market failure in our area, which means that in many of our rural and peripheral areas the end value of a commercial building is less than the cost of financing its construction. This leads to an inability to finance commercial property extensions or new builds, without some form of public sector intervention.

With often-conflicting accountability, performance requirements and governance arrangements, the task of joining up capital funding to deliver a seamless investment programme absorbs an enormous amount of local time and effort.

We ask for	We offer	Outcomes we will deliver
<p>Fully devolve Local Growth Funding secured through the annual Growth Deal programme.</p> <p>Remove existing monitoring and reporting requirements to allow us to operate a single productivity fund guided by local economic need.</p>	<p>New governance structure across HotSW to deliver</p> <p>Aligned relevant funding and resources in a Single Productivity Pot for investment in economic growth,</p> <p>We will explore using the Single Productivity Pot as match for ESIF.</p>	<p>Easier access to finance, facilitating transformational growth.</p> <p>Savings and efficiencies through better alignment of funds.</p> <p>Investment prioritised according to the potential to drive growth.</p>

Finance & Investment: maximising the impact of investments through a single productivity pot - European Funding

All decisions on EU funding are being made centrally meaning local priorities to do not necessarily get the notice they deserve. Local Authorities and the LEP have very limited, purely advisory influence on call specifications and decision making. Finding match funding is an ongoing difficulty for applicants and often leads to local applicants being unable to apply for funding.

In order to make the principles of a Single Capital Pot work in tandem with European funding, we need a much more streamlined way of engaging with the European funding arrangements.

The current local ESI Sub-Committee arrangements have simply duplicated existing partnership arrangements which were already in place in the LEP structure. In its current form, the Committee adds negligible value to the delivery of the programme.

Each of the LEP's existing sub groups has a direct relationship with an element of the ESIF programme:

- People Group – ESF
- Business Group – ERDF / EAFRD
- Place Group – ERDF & EAFRD

On a practical level, these groups are already providing support to the managing authority on the strategy for investment, and the timing and content of calls. They are partnership groups, with conflicts of interest appropriately managed. With small tweaks to their membership they could meet the requirement of the partnership agreement between central Government and the European Commission to involve a broad range of partners.

We ask for	We offer	Outcomes we will deliver
<p>As part of the forthcoming national 12-month review of European & Structural Investment Fund governance arrangements, trial a governance model in the Heart of the South West, including:</p> <ul style="list-style-type: none"> - Abolition of the local ESI Sub-Committee. - Local partner engagement in the delivery of ESIF programme, to be achieved through an Memorandum of Understanding with the LEP and its subgroups. 	<p>We will provide a streamlined model for ESIF governance.</p> <p>Investment will be used alongside other forms of public and private investment to maximise local impact.</p>	<p>Better coordination of capital and revenue funding, and join up between funding streams</p>

<p>- National Partnership Agreement for broad engagement with partners, through adjustments to the membership of the LEP's People, Place & Business Groups.</p>		
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Capitalising on our Unique Selling Points

There are a number of transformational opportunities and distinctive assets in the Heart of the South West, which, if local and national partners can work together in the right way and at the right level, have the potential to unlock major productivity gains for the national economy. Whilst our science and innovation audit proposals will help us to identify those clusters which have national and even global significance, and what we need to do to unlock their potential, there are a number of existing opportunities where greater local control and flexibility of approach, and some additional national alignment with local ambition, could unlock major growth.

Unique Selling Point: marine industries

The South Coast marine sector has a poor record of benefiting from innovation funding and support – resulting in low productivity.

The South Coast marine cluster has nationally significant strengths to deliver the UK Marine Industries Alliance (MIA) Technology Roadmap, but is challenged by geographic remoteness both internally and from the wider innovation offer e.g. National Composite Centre (Bristol), National Oceanography Centre (Southampton), Wave Hub/Fabtest (W.Cornwall) and Offshore Renewable Catapult (Scotland).

The MIA recognises that a facilitated in-sea test range is required to bring marine innovations into production.

We ask for	We offer	Outcomes we will deliver
<p>Commit resources to create a Marine Business Technology Centre.</p> <ul style="list-style-type: none"> Innovate UK recognition of the project as part of its Catapult Centre 	<p>We will establish a MBTC and Smart Sound test bed for academic and industrial R&D.</p> <p>Workshops and access to open water to facilitate</p>	<p>Increased marine R&D</p> <p>More high-value jobs.</p> <p>Sector growth.</p>

<p>programme.</p> <ul style="list-style-type: none"> • Support ongoing research through National Marine Technology Roadmap. • Support and briefings for businesses through MTC. 	<p>testing.</p> <p>Specific business and innovation support.</p>	
<p>RGC to provide a South West Marine Innovation Fund.</p>		<p>Leverage for partner companies to collaborate on marine R&D.</p>

Unique Selling Point: South West Nuclear Cluster

Sourcing and suggesting SW companies which fit the requirements for Nuclear Joint Ventures (JVs). Pairing both indigenous and foreign companies searching for JVs with appropriate South West partners, according to their local requirements to support their operation in the South West, with a view to encouraging them to ultimately invest in the SW and become long-term inward investors. We are working alongside BIS to develop the cluster and a delivery plan.

We ask for	We offer	Outcomes we will deliver
<p>We want Government to recognise the SW Nuclear Cluster as the key centre of expertise and innovation in nuclear</p> <p>A dedicated Nuclear Industry Specialist to work with on developing the cluster.</p> <p>To confirm Huntspill Energy Park as an important component of delivering our ambitions for nuclear.</p>	<p>HotSW will utilise its Nuclear SW Cluster status to ensure that it utilises the strengths in collaboration and innovation with its stakeholders.</p>	<p>Deliver maximum proportion of the £19bn investment in New Nuclear Build is won by UK companies</p> <p>Encourage long-term investments from firms outside the region.</p>

Unique Selling Point: Aerospace

The South West comprises a significant proportion of the UK's aerospace sector, including a leading role within the rotorcraft sector centred on AgustaWestland in Yeovil and its supply chain. The aerospace prime contractors in the South West have developed a collaborative vision for the sector in the region, consistent with the national strategy for aerospace. The iAero initiative focusses on the future productivity of the industry, and in particular the skills and technological innovation required to ensure that supply chain businesses in the South West can compete for future contracts and the next generation of aerospace products

We ask for	We offer	Outcomes we will deliver
<p>Support and commit resources to:</p> <ul style="list-style-type: none"> • South West iAero • iAero rotorcraft technology centre in Yeovil. <p>BIS and Innovate UK to facilitate strong links with the national composites centre and the advanced manufacturing catapult.</p> <p>Innovate UK will provide funds to help commercialise supply chain innovation.</p>	<p>We will collaborative with the aerospace sector to deliver the iAero rotorcraft technology centre.</p> <p>We will maximise links with schools and colleges to encourage students to consider this sector.</p>	<p>Our aerospace sector will benefit from Increased research and development</p> <p>Commercialised innovation.</p> <p>Retention and development of supply chain SMEs</p> <p>Retention of existing high value jobs and creation of new ones.</p>

Unique Selling Point: Innovation Exeter and environmental futures

Information received; to be incorporated ASAP.

We ask for	We offer	Outcomes we will deliver
To be added		

Unique Selling Point: Rural productivity Programme - deriving economic value from resources in rural areas.

We have a high proportion of rural businesses relative to population centres, and a high proportion of micro-enterprises. Micro-businesses in rural areas are less likely to access national business support. The dispersed nature of rural

businesses means collaboration and supply chain opportunities are less likely to occur without specific support.

Feedback from funding programmes appears to show that rural areas are less likely to pursue potential funding streams. Urban areas are far more likely to apply to programmes such as the UGF. Funding is not locally centralised, perhaps explaining the uneven coverage. There is also poor engagement with research and development, due in part to their relative remoteness.

We ask for	We offer	Outcomes we will deliver
<p>DEFRA to support the HotSW to bring forward a call under “measure 16.4”</p>	<p>Devolve DEFRA funding for RGN type activity. Further invest in the Rural Growth Network, where the HotSW region will target support in remote rural areas, in sectors such as agri-tech and renewables, which have been identified as areas of specialisation for the region in HotSW’s Smart Specialisation framework.</p>	<p>Rural areas able to bid for EAFRD funds to establish supply chain networks around key rural industries</p>
<p>DEFRA to use our National Parks and AONBs as test beds for innovative models to boost rural productivity.</p> <p>DEFRA to work with HotSW to develop Protected Geographical Status products.</p> <p>DCMS – To use our rural area as a test-bed for innovative solutions to ultrafast broadband</p> <p>DCMS - Gap funding from discontinued MIP budget to pilot integration of mobile telephony with superfast broadband.</p> <p>Innovate UK/Local Partners – A test-bed for applied digital innovation (rural).</p> <p>Infrastructure support</p>	<p>Co-ordinate with National Park Authorities to deliver change for the better.</p> <p>Raise awareness and deliver a tailored engagement programme to ensure rural business benefits.</p>	<p>Increased diversity and propensity to export in traditionally low growth and low productivity industries.</p> <p>Improved rural access to broadband and mobile.</p>

<p>budget from Natural England.</p> <p>Farmers need the ability to allow livestock movements within our borders.</p>		
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DRAFT

Governance

Options appraisal **to follow.**

DRAFT

Financial assessment

Work is under way on proposals as they develop: work to be carried out by a finance officers group.

To maximise the power and value of these funds our financial assessment will examine how best to pool or otherwise align these funds and the way they are managed.

DRAFT

Agenda Item 7

Report to: **West Devon Borough Council Hub Committee**

Date: **1 December 2015**

Title: **T18 Budget Monitoring report – Quarter 2
2015/2016**

Hub Committee
Lead: **Councillor Philip Sanders**

Wards Affected: **All**

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

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

Author: **Steve Mullineaux** Role: **Support Services Group
Manager**
Lisa Buckle **Finance Community of
Practice Lead (S151 Officer)**

Contact: steve.mullineaux@swdevon.gov.uk, (01803) 861412
lisa.buckle@swdevon.gov.uk, (01803) 861413

Recommendations:

It is recommended that:

1. The Hub Committee notes the progress to date on the T18 Transformation Programme.

1. Executive summary

- 1.1 In December 2014, the Council agreed to a revised business plan for the T18 Programme. Its aims are to deliver a new operating model in partnership with South Hams District Council which will ensure that both Councils can continue to deliver quality services for its customers and communities. An investment budget of £2.83 million was approved, to deliver annual recurring revenue savings of £1.64 million. The payback period for the Programme is 2.75 years.
- 1.2 The Transformation Programme has received the backing of Central Government and the Council was awarded £266,000 of Government funding towards the upfront investment costs.
- 1.3 ***The table in Appendix A shows that the predicted final spend (£2.766 million) is £64,000 less than the budget of £2.83 million.*** In the 2014-15 year, £1.994 million was spent of one-off investment costs. A further £324,528 has been spent in the period 1 April 2015 to 31st October 2015 as shown in Appendix A.
- 1.4 With the exception of a small predicted overspend of £27,000 (3.8%) on ICT technology, implementation and project management costs, all of the categories of spend are on target when compared against the budget. There are no areas of concern to report to Members.
- 1.5 The budgeted salary savings to be delivered by the project were £160,000 in 2014/15, rising to £700,000 in 2015/16. The savings were achieved in 2014/15 and the Council is on track to make the projected salary savings of £700,000 in 2015/16. By 2016/17, the salary savings realised will total £1.385 million. These are annual savings being delivered by the project.

2. Background

- 2.1 West Devon Borough Council and South Hams District Council have been shared service partners since 2007. As two of the very first Councils to share a Chief Executive, the Councils have been bold in challenging the traditional local government model and have always been at the forefront of radical change and innovation. Shared services (through sharing staff) has now yielded over £7.7 million in savings across the two Councils since 2007, with each Council generating ongoing savings of over £700,000 every year.
- 2.2 Having a successful track record of reducing costs through shared services whilst improving services, the two Councils approved a joint Transformation change programme in December 2013.

- 2.3 The Councils continue to face significant reductions in Central Government funding and the Transformation Programme will develop the financial resilience of the Councils and reduce the reliance on making annual budget reductions that inevitably impact on front line services.
- 2.4 The Councils are pioneering a new model for local government which is transferrable to other local authorities irrespective of the scale, acting as a catalyst for extending shared services, without undermining each participating Councils' democratic sovereignty.
- 2.5 The Council will provide its services in an entirely new way by becoming more flexible and customer focused using the latest technology. Services will be redesigned around our customers and communities and as a consequence all departmental silos will be removed. This will involve re-engineering over 400 business processes and sharing all of our corporate services and information technology systems. The first phase of the programme (Support Services) went live in September 2014. The main phase of the programme has gone live in June 2015, with a smaller phase due later in 2015/16.
- 2.6 At its heart, the transformation programme is one of cultural change. Peoples' lives are constantly changing and we must change with them. The radical transformation will be the most significant change in the way that the Councils work for more than 40 years. The Councils' non-manual workforce will be 30% smaller, with all staff roles changing to be flexible and responsive to the needs of the customer. Officers from different areas of the Councils will work within communities to improve the service for the customer and reduce the need for office accommodation.
- 2.7 The Transformation Programme is structured with a number of workstreams and progress on these is set out in Section 3.

3. Outcomes/outputs

HR Workstream

- 3.1 Phase 2 of the assessment process was completed in early August. In line with Phase 1b, the outcomes were very positive and a role in the new structure has been found for everyone that went through the process. 10 employees will be leaving the Councils on voluntary redundancy, with the majority leaving after the start of the new financial year in April 2016.
- 3.2 The employees currently working in Elections, Facilities Management and on the Sherford Development will be assessed in December 2015.

- 3.3 Revised contracts of employment have been issued to all employees who underwent the assessment process. The new contracts reflect the revised Travel and Subsistence Policy that was agreed after consultation with UNISON and the new agile working arrangements and terms and conditions of employment are now harmonised across the two Councils.
- 3.4 Managers have been trained in the Assessment Process so we are able to consistently assess new employees against the IMPACT Behaviour Framework.

IT Workstream

- 3.5 There is a significant amount of work to do in this work stream over the next few months and timescales are tight.
- 3.6 Housing, Waste, Environmental Health and Licencing back office applications have been migrated onto the new back office systems. The Planning and Land Charges data is currently undergoing a third round of testing. The focus over the coming weeks will be the migration and testing of the live planning and land charges data into the new planning system, with the associated documents, presenting this data to W2 and ensuring robust integration with the new GIS system and web components.
- 3.7 The migration of all documents from the old document management systems into the new W2 system is about to commence. This is a significant piece of work as there are in excess of 3 million documents.
- 3.8 The Council has taken delivery of the software which allows the integration of the new Web Portal functionality into the existing web site. This is currently being implemented and will enable us to deliver many more services on line.
- 3.9 Mobile Locality officers have taken delivery of devices to allow them to access corporate IT resources while out and about. The Council will be taking delivery of the Civica mobile application this week, which will allow us to create processes which enable staff to receive and update job tasks whilst out of the office.
- 3.10 Over 100 laptops have been provisioned for agile workers with remaining devices to be configured before end of December 2015.

Accommodation Workstream

- 3.11 The accommodation project is largely finished, with the delivery of the Agile space at Kilworthy Park. Tesco recently took 2,500 sq ft of accommodation on a temporary basis and were in occupation until the end of September. This provided additional revenue to the authority along with a 5 % contribution towards the running costs of the building. Discussions are also taking place with existing tenants around increasing their occupancy space which will provide additional revenue by way of an increase in rent and service charge.
- 3.12 In the T18 Business Case, it was anticipated that there would be £65,000 of reduced running costs at Kilworthy Park due to agile working, smarter use of energy and utilities and the workforce occupying less space. These savings have not yet been realised to this extent, although work has been done on re-procuring some of the utilities costs. It is recommended that the savings target on reduced running costs of £65,000 is reduced by £45,000 to £20,000 in 2016/17. In addition, it was anticipated that the letting income for Kilworthy Park would increase by £15,000.

Finance Workstream

- 3.13 In December 2014, the Council agreed the updated business case for the Transformation Programme. An investment budget of £2.83 million has been approved, to deliver annual recurring revenue savings of £1.64 million. The payback period for the Programme is 2.75 years.
- 3.14 The Transformation Programme has received the backing of Central Government and the Council was awarded £266,000 of Government funding towards the upfront investment costs.
- 3.15 ***The table in Appendix A shows that the predicted final spend (£2.766 million) is £64,000 less than the budget of £2.83 million.*** In the 2014-15 year, £1.994 million was spent of one-off investment costs. A further £324,528 has been spent in the period 1 April 2015 to 31st October 2015 as shown in Appendix A.
- 3.16 With the exception of a small predicted overspend of £27,000 (3.8%) on ICT technology, implementation and project management costs, all of the categories of spend are on target when compared against the budget. There are no areas of concern to report to Members.

- 3.17 The budgeted salary savings to be delivered by the project were £160,000 in 2014/15, rising to £700,000 in 2015/16. The savings were achieved in 2014/15 and the Council is on track to make the projected salary savings of £700,000 in 2015/16. By 2016/17, the salary savings realised will total £1.385 million. These are annual savings being delivered by the project.

Customer Workstream

- 3.18 The Customer Workstream relates to the engagement required with our customers to maximise the benefits of the future operating model. These benefits are both for the customer, in terms of improved customer service and greater access to on-line services and for the Authority through reduced costs.
- 3.19 Software to deliver Customer insight information has now been purchased to help us structure our customer access methodology and training in how to use this software has been undertaken.
- 3.20 The new customer portal has been undergoing extensive testing and is due to go live 16th November.
- 3.21 The plan for how the Council interacts with its customers (the channel shift plan) is under development. This plan will help us target cheaper forms of contact such as SMS and email to those people who want and can use it, rather than trying to encourage all customers to use these types of contact.

Business Processes and Transition Workstream

- 3.22 The number of staff employed by the Council has been reduced and in order to continue to deliver high quality services to the public, we need to review and re-design over 400 of our existing processes.
- 3.23 This process was broken down into a number of 'sprints' when each type of activity is mapped and analysed in detail. Where possible the new processes are built into the universal case management system "W2". These processes are now being comprehensively tested and updated for Customer Services & Website use.
- 3.24 Due to delays in functionality delivered by Civica and the knock on effect of reduced capacity due to the loss of staff after June the go-live dates have been delayed. The table below identifies services that have now gone live and staff are using both the new case management and back office systems.

Service Area
Housing
Refuse Collection
Car Parking
Environmental Health & Licensing
Non customer Council Tax & NNDR

- 3.25 Our initial plan was to go-live with individual services in a phased approach but this puts too much strain on the service area as it requires significant time investment. A 'Dragons Den' approach was utilised to prioritise the remaining processes to deliver the maximum return on investment and spread the officer effort across more services. The following table shows planned go-live dates for the remaining high priority processes:

Service Area	Target go-live date (week commencing)
Planning	16/11/15
Council Tax	16/11/15
Remaining Waste Processes	30/11/15
Legal & Support services	21/12/15

4. Options available and consideration of risk

- 4.1 A Transformation Programme of this size and complexity clearly brings a significant number of risks which have to be carefully managed. The comprehensive Programme risks are reviewed every four weeks by the Transformation Programme Board. A report is presented to the Audit Committee on a six monthly basis of the Council's risk register and strategic risks (including those relating to the Transformation Programme).
- 4.2 One of the key risks is a reduction in service performance as staff have left and the new processes are not live in the new case management system resulting in individual services experiencing increasing customer contact and customer complaints.

5. Proposed Way Forward

To address the issues in 4.2, the senior leadership team (SLT) have instigated the following actions:

- 5.1 Phase 2 of the programme has been brought forward to enable staff to be released into their new roles and enable the recruitment to posts that have been held for staff.
- 5.2 Other agencies are being used to deliver less complex work for planning.
- 5.3 Recruitment of vacant posts is being prioritised by managers and agency staff are being used as a short term measure to backfill unfilled vacancies.
- 5.4 Outstanding workloads and customer service measures are now being reviewed on a weekly basis by SLT.
- 5.5 The website is being updated and customer services are being given key messages to reassure customers.

6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		The Council has delegated to the Hub Committee to monitor the budget monitoring position of the Transformation Programme, with quarterly budget monitoring reports being presented to the Hub Committee.
Financial		There are no financial implications arising directly from this report. The finances of the programme are set out in Section 3.13 to 3.17.
Risk		A Transformation Programme of this size and complexity clearly brings a significant number of risks which have to be carefully managed. The comprehensive Programme risks are reviewed every four weeks by the Transformation Programme Board. A report is presented to the Audit Committee on a six monthly basis of the Council's risk register and strategic risks (including those relating to the Transformation Programme).
Comprehensive Impact Assessment Implications		

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

Supporting Information

Background Papers:

Council 9 December 2014 (Minute CM62)

Council 31 March 2015 (Minute CM97)

Hub Committee 14 July 2015 – T18 Budget Monitoring report

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

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Expenditure Category	2014-2015 T18 Actual Expenditure	2015-16 Actual Expenditure to 31 st October 2015	2015-16 Expenditure predicted for the period 1 st November to 31 st March 2016	Future financial years predicted expenditure (16/17)	Total Predicted Expenditure for the T18 Programme	Comparison to the Total T18 Budget (One-off Investment costs)	Notes
	(A)	(B)	(C)	(D)	(Columns A to D)	(£)	
	(£)	(£)	(£)	(£)	(£)	(£)	
Revenue Expenditure							
ICT technology, implementation, workstream development and project management	298,586	174,159	170,000	-	642,745	615,750	Note 1
ICT workstation costs and infrastructure	111,373	13,352	30,000	-	154,725	155,000	Note 2
Training and Accommodation	36,055	5,578	25,000	-	66,633	97,000	Note 3
Implementation and design of the future operating model	143,875	750	2,500	-	147,125	175,000	Note 4
Redundancy and Pension Strain costs	1,311,698	86,164	-	95,400	1,493,262	1,520,000	Note 5
Contingency	0	44,525	125,000		169,525	175,000	Note 6
Capital Expenditure							
ICT Software	92,250	0	0		92,250	92,250	Note 7
TOTAL	1,993,837	324,528	352,500	95,400	2,766,265	2,830,000	

Summary - Apart from a small amount of costs which will be paid out in future financial years, all of the T18 expenditure (one-off investment costs) is predicted to have happened by the end of the financial year 2015-16. The table above shows that the predicted final spend (£2.766 million) is £64,000 less than the budget of £2.83 million.

Note 1 - ICT technology, implementation, workstream development and project management costs – These are the contract payments to the IT supplier for delivering the IT system and project management costs. These are predicted to be slightly over budget by £27,000 (3.8%*), mainly due to project management costs.

Note 2 - ICT workstation costs and infrastructure – This is predicted to be on budget as the majority of workstations and infrastructure have now been purchased.

Note 3 – Training and Accommodation – The original budget was set based on the training of all staff being provided by an external supplier. By looking at the systems that needed training on, an early decision was made to carry out more of the training in-house using a 'train the trainer' type approach rather than train all staff. Hence this budget is forecast to be underspent by £30,000.

Note 4 - Implementation and design of the future operating model – The work with IESE has now been completed and the only remaining payment forecast is £2,500 for the Phase 2 recruitment exercise. This budget is expected to be underspent by £28,000.

Note 5 – Redundancy and Pension Strain costs – This was the area of the budget which was the most difficult to predict. However the majority of the phases within the Transformation Programme have now gone live so the Council now has certainty of the majority of these costs. These were accrued for in the Accounts for 2014-15 and are reflected within the £1.311 million cost figure for 2014-15. In addition to this, an estimate has been made of the potential redundancy and pension strain costs arising from Phase 2.

Note 6 – Contingency – The contingency budget is predicted to be utilised on transition costs of the Transformation Programme.

Note 7 – ICT Software – This is the software element of the contract payments to the IT supplier. This is treated as capital expenditure.

* This includes the software element of the IT contract.

Agenda Item 8

Report to: **Hub Committee**
Date: **01 December 2015**
Title: **Revenue Budget Monitoring 2015/2016**
Portfolio Area: **Support Services – Cllr Cann OBE**
Wards Affected: **All**
Relevant Scrutiny Committee: **Internal**

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

Author: **Alex Walker** Role: **Finance Business Partner**
Contact: **Tel. 01803 861345**
E-mail: alexandra.walker@swdevon.gov.uk

Recommendations:

It is recommended that the Hub Committee resolves to:-

- i. Note the forecast income and expenditure variations for the 2015/16 financial year and the overall projected underspend of £70,000.
- ii. Recommend to Council to transfer any unspent Homelessness grant into a Homelessness Earmarked Reserve at the end of the 2015/16 financial year (this is expected to be £30,000).

1. Executive summary

1) This report enables Members to monitor income and expenditure variations against the approved budget for 2015/16, and provides a forecast for the year end position.

2. Background

1) The Council's finance procedure rules require budget monitoring reports to be made on a regular basis to the Hub Committee as part of the Council's arrangements for budget management.

3. Outcomes/outputs

1) Budget Overview

The gross service expenditure budget for 2015/16 was set at £26 million (£7.26 million net). Actual net revenue expenditure is forecast to be £7.19 million when compared to the total budget set for 2015/16. **The table below shows a predicted under spend of £70,000 for 2015/16. This would increase unearmarked revenue reserves from £1.023 million to £1.093 million.**

Table 1 below provides an analysis of the projected variances against budget.

TABLE 1: 2015/16 BUDGET FORECAST

	2015/16 Budget expenditure /(income) £000	Budget variations increase/ (decrease) £000	£000	Note
APPROVED BUDGET			7,262	
Reductions in expenditure/additional income				
Car Park Income	(860)	(30)		A
Legal – Additional Income	(6)	(18)		B
Housing Benefit Recoveries	-	(45)		C
Homelessness, Aid & Advice	50	(30)		D
Revenue & Benefits – Equipment Maintenance	45	(15)		E
Waste Contract	1,402	(80)		F
Land Charges – Government Grant	-	(45)		G
Investment Income	(40)	(7)		H
Other Staffing Expenses	184	(60)		I
<i>Sub total of variations</i>			(330)	

	2015/16 Budget expenditure /(income) £000	Budget variations increase/ (decrease) £000	£000	Note
Increases in expenditure/reductions in income				
Salaries and Agency Costs	-	60		J
Kilworthy Park - Additional Lettings Income	(70)	15		K
Kilworthy Park – Reduced running costs	291	65		K
Recycling Credits	(420)	90		L
<i>Sub total of variations</i>			230	
Financing: Funding to/from Earmarked Reserves				
Homelessness Prevention Reserve	n/a	30		D
<i>Sub total of variations</i>			30	
PROJECTED OUTTURN			7,192	
PROJECTED UNDERSPEND			(70)	

Notes

- A. **Car Park Income** – Car parking income is currently higher than the target for the first seven months of 2015/16. This trend is expected to continue and income is predicted to be £30,000 above the target.
- B. **Legal Income** – Additional fees and charges income relating to S106 receipts.
- C. **Housing Benefit recovery of overpayments** – Additional income from the recovery of overpayments (budgeted expenditure for Housing Benefit in 2015/16 is £13 million).
- D. **Homelessness Aid & Advice** – The Council receives a Government grant towards the costs of homelessness prevention. The Council has predominantly funded homelessness costs through the Local Welfare Support Grant which has reduced the amount

spent against the Government grant. The balance of £30,000 is requested to be set aside in an Earmarked Reserve for Homelessness to cover additional costs in the winter months in future years.

- E. **Revenue & Benefits** – Expenditure on equipment maintenance is currently lower than anticipated and is predicted to be underspent by £15,000.
- F. **Waste Contract** – The Council’s waste contract is reviewed annually and an inflationary increase is applied based on a formula which takes into account factors such as fuel prices and the average earnings index. This year the inflationary increase is -1.72% (this is calculated after the budget setting process). Therefore the inflationary cost pressure of £80,000 which was built into the 2015/16 base budget (as a provision) is not required in 2015/16.
- G. **Land Charges** – A new burdens grant for Local Land Charges has been received from the Government of just over £45,000. This is a reimbursement from the Government for the costs of the national legal case regarding Land Charges. As the Council funded these costs in the 2014-15 financial year, the timing difference on this new burdens grant being received means that this is additional income in 2015-16 as the costs have been previously financed.
- H. **Investment Income** – The Council has secured a better rate for Money Market Fund investments that are used to manage day to day cash flows, and improved use of fixed term deals with the banks currently on the Council’s Counterparty list. An additional income of £7,000 is expected.
- I. **Other Staffing Expenses** – There is a predicted underspend of £60,000 on staff related expenditure such as travel, subscriptions and other associated costs. Following the Council’s Transformation Programme, the staffing workforce is 30% smaller with all staff roles changing to be flexible and responsible to the needs of the customer.
- J. **Salaries and agency costs** – There are additional staffing and agency costs of approximately £60,000 where temporary resources are being used to backfill positions across the Council and particularly within Planning. Part of this sum relates to the fact that the Planning Service is using 1.6 FTE (across both Councils) staff over and above the establishment.
- K. **Kilworthy Park** – The Kilworthy Park budget is projected to be £80,000 overspent due to two main factors. In the T18 Business Case it was anticipated that there would be £65,000 of reduced running costs at Kilworthy Park due to agile working, smarter use of energy and utilities and the workforce occupying less space. These savings have not yet been realised to this extent, although work has been done on re-procuring some of the utilities costs.

In addition, it was anticipated that the letting income for Kilworthy Park would increase by £15,000.

- L. **Recycling Credits** – Devon County Council has taken West Devon’s leaf sweepings and garden waste into the County contract and has ceased paying recycling credits on this material. As has been previously reported, a phasing into the DCC contract was negotiated to minimise the budgetary impact. This has resulted in a loss of income gained from recycling credits from DCC, which is largely offset by West Devon no longer having to pay gate fees for composting the materials. The net loss for 2015-16 is around £50,000. In addition to this, Devon County Council no longer pay community groups for recycling credits for certain materials. This payment was administered by West Devon and then claimed back from the County. Any fall in income due to this is therefore offset by outgoing payments to community groups. Members will be aware that prices for recycling have dropped with the market changing significantly due to external factors. The overall drop in income predicted is £90,000 in total.

4) Management Actions

The table below sets out the relevant management actions for the revenue expenditure and income variations shown above.

	Budget variations increase/ (decrease) £000	Management Action
Reductions in expenditure/additional income		
Car Park Income	(30)	On a separate report on this agenda, it is recommended that car parking charges will be frozen for 2016/17. No changes are recommended to the income target for 2016/17.
Legal – Additional Income	(18)	No management action required
Housing Benefit Recoveries	(45)	An income target of £30,000 will be built into the budget process for 2016/17.
Homelessness	(30)	Recommended to put in an earmarked reserve.
Revenue & Benefits – Equipment Maintenance	(15)	This will be kept under review.

	Budget variations increase/ (decrease)	Management Action
Waste Contract	(80)	There is a potential uplift in the cost of the waste services contract based upon the indicated requirement for an additional waste round. This has already been built into the 2016/17 budget as a cost pressure.
Land Charges – Government Grant	(45)	This is a one off grant payment.
Investment Income	(7)	No management action required
Other Staffing Expenses	(60)	The budget for 2016/17 will be reduced by £60,000 to reflect these savings
Increases in expenditure/reductions in income		
Salaries and Agency Costs	60	It is expected that this is a temporary additional cost in 2015/16 and that once the Transformation Programme has fully been embedded these temporary costs will decrease. No change is recommended to the 2016/17 budget.
Kilworthy Park - Additional Lettings Income	15	The Assets team continue to maximise the best use of the lettings space e.g. Tesco recently took up 2,500 sq ft of accommodation on a temporary basis.
Kilworthy Park – Reduced running costs	65	The budget for 2016/17 will be adjusted by £45,000 to reflect the current position.
Recycling Credits	90	The income target for 2016/17 will be reduced by £90,000 to reflect market conditions.

5) Prudential Indicators

The prudential code indicators were approved in the Treasury Management Strategy report to the Audit Committee on 24 February 2015. The indicators are monitored during the year through the normal revenue and capital monitoring processes. Any exceptions are reported

to the Audit Committee together with any remedial action or revision required. To date all Treasury Management limits have been adhered to.

6) Income and Reserves

Income monitoring is an integral part of financial management. Current income forecasts are as follows:

Service	Actual Income 2014/15	Income Budget 2015/16	Projected Income 2015/16	Deficit/ (Surplus)	Deficit/ (Surplus)
	£'000	£'000	£'000	£'000	%
Car Parks	876	860	890	(30)	(3.5%)
Employment Estates	273	243	243	-	-
Land Charges*	69	93	93	-	-
Planning Applications	387	388	388	-	-
Investment Income	41	40	47	(7)	(17.5%)
Recycling Credits	492	420	330	90	21.4%
TOTAL	2,138	2,044	1,991	53	

**This excludes the New Burdens grant income of £45,000.*

The decision on the level of balances and reserves is taken during the formulation of the annual budget and the medium term financial strategy. As a matter of prudence the Council has set aside various amounts in reserves to cover future liabilities and items of expenditure and these are attached as Appendix A.

7) Issues that may impact on the budget monitoring position in the next 3 months/Risks

The budget monitoring position assumes that collection rates will remain at previous levels. The unknown area is the impact that Universal Credit may have on future collection rates and arrears levels.

Universal credit is a new single benefit payment for people out of work or on low incomes which has now been rolled out in Okehampton, with the rest of West Devon following next spring. The aim of Universal Credit is to make the welfare system simpler by replacing six benefits with one single monthly payment. Universal Credit replaces a range of benefits including Income Support, Jobseeker's Allowance and Housing Benefit.

For Business Rates, it has been assumed that the Council is still in a situation where it is paying a Business Rates levy. This is regularly monitored and any change to this position would be reported to Members.

8. Proposed Way Forward

1) Revenue budget monitoring will continue on a regular basis and further reports will be brought to the Hub Committee on a quarterly basis.

9. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	The Statutory Powers that apply to this report are the Local Government Act 1972 Section 151 and the Local Government Act 2003 Section 28.
Financial	Y	The report identifies an overall underspend of £70,000 which is 1% of the overall budget set for 2015/16 of £7.262million.
Risk	Y	Budget variances – continual budget monitoring at all levels within the Council ensures early identification of variances. Reporting to the Hub Committee provides an opportunity for Members to identify and instigate remedial action where appropriate. Resource Planning – the Hub Committee takes into account any significant issues when developing the Council's Medium Term Financial Strategy. These are identified in the Management Actions section of the report (Section 4).
Comprehensive Impact Assessment Implications		
Equality and Diversity		None directly arising from this report.

Safeguarding		None directly arising from this report.
Community Safety, Crime and Disorder		None directly arising from this report.
Health, Safety and Wellbeing		None directly arising from this report.
Other implications		None directly arising from this report.

Supporting Information

Appendix A – Reserves.

Background Papers:

Finance Community of Practice budget monitoring working papers.

Approval and clearance of report

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

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RESERVES - PROJECTED BALANCES					
	Opening balance 1 April 2015 £000	Additions to the Reserve	Predicted spend to 31.3.2016 £000	Projected balance 31.3.2016 £000	Comments
EARMARKED RESERVES					
Specific Reserves - General Fund					
T18 Strategic Change Earmarked Reserve		(872)	872	0	A new reserve set up to fund T18 redundancy and pension costs.
Business Rates Retention Scheme	(321)		100	(221)	This reserve will be used to offset the balance on the Collection Fund. This relates to a timing issue on the accounting adjustments required for the localisation of business rates.
Car Parking Maintenance	(318)			(318)	
Local Authority Business Growth Incentive (LABGI)	(21)		21	0	
Habitats Earmarked Reserve	(24)		24	0	
Cannons Meadow	(21)		3	(18)	Written down to revenue annually
County Election	(24)			(24)	
Landscape Maintenance	(20)			(20)	
Fifth Wave Neighbourhood Front Runners	(50)		(5)	(55)	
DCLG Business Support Scheme	(13)		13	0	
DCC Public Health	(40)		40	0	
Devon County Council - TAP Funds	(49)		49	0	
Economic Grant Initiatives	(16)		16	0	
Flood Works	(20)		20	0	
Homelessness Prevention	-	(30)		(30)	A new reserve set up to cover additional costs in the winter months.
Other Reserves below £15,000	(86)		40	(46)	
TOTAL EARMARKED RESERVES	(1,023)	(902)	1,193	(732)	
TOTAL UNEARMARKED RESERVES	(1,023)	(70)		(1,093)	Shown to increase by £70,000 in 2015/16, which is the predicted underspend for the year.
TOTAL REVENUE RESERVES (EARMARKED AND UNEARMARKED RESERVES)	(2,046)	(972)	1,193	(1,825)	

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NOT FOR PUBLICATION

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

Report to: **Hub Committee**
Date: **1 December 2015**
Title: **Capital Budget Monitoring 2015/2016**
Portfolio Area: **Support Services – Cllr Cann OBE**
Wards Affected: **All**
Relevant Scrutiny Committee: **Internal**

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

Author: **Angela Endean** Role: **Capital Accountant**
Lisa Buckle **Finance Community of Practice Lead**

Contact: **Tel. 01803 861480**
E-mail: angela.endean@swdevon.gov.uk
Tel. 01803 861317
Email: lisa.buckle@swdevon.gov.uk

Recommendations:

1. That the Hub Committee notes the Report.

1. Executive summary

The report advises Members of the financial position as at 31st October 2015 for the purposes of budget monitoring. **All capital projects are within the individual capital budgets approved by Members. Therefore capital schemes are within budget.**

The total capital budget for 2015/16 is £1,490,292 of which £163,436 has been spent to date (Appendix A).

The capital programme is currently underspent in comparison to the budgets, due to mainly the affordable housing budget (£550,000) and the Indoor Sports and recreation facilities budget (£296,728) not being spent.

Members discussed the affordable housing budget in early 2015 and the Council took a cautious approach to spending this budget due to the financial uncertainties with the T18 Transformation Programme (as Phase 1b went live in June 2015). However this uncertainty has now passed (There is a separate report on this agenda regarding the 'T18 Budget Monitoring report' which shows the T18 Programme is within Budget). Therefore there is a recommendation in the 'Budget Proposals report for 2016-17' to instruct officers to develop a strategy to deliver the best use of the affordable housing capital budget of £550,000 and the uncommitted New Homes Bonus amounts of £63,000 in 15/16 and potentially £317,000 in 16/17.

The Indoor Sports and Recreation facilities budget is explained in Exempt Appendix B. There is also a delay on the expenditure for Disabled Facilities Grants (DFG). It is predicted that the DFG budget of £450,000 will be fully spent during this financial year (£143,656 has been spent to date). There is always a time delay between when applications are approved and when the physical spend occurs.

2. Background

The capital programme for 2015/16 was approved by Council on 17 February 2015 (CM77 and RC26 refer). This report provides an update on the Capital Programme.

The budget in relation to Indoor Sports and Recreation facilities is shown at exempt Appendix B. The award of contracts is subject to the Council's procurement rules on competitive tendering and therefore the allocated budget is commercially sensitive.

3. Outcomes/outputs

Members are requested to note the following updates on Capital Projects:

Community Project Grants (previously Village Hall & Community Project Grants)

The budget for 15/16 is £59,859 with £6,280 spent to date. It is expected that the majority of the budget will be fully committed by the end of the financial year with a requirement to carry forward unspent and committed funds to 2016/17.

Indoor Sports and Recreation facilities

The budget in relation to Indoor Sports and Recreation facilities is shown at exempt Appendix B.

Affordable Housing

The capital budget of £550,000 has yet to be spent. This budget is to support the development of affordable housing schemes. There is a recommendation on the 'Budget Proposals report for 2016-17' (which is also an item on this agenda) to instruct officers to develop a strategy to deliver the best use of the affordable housing capital budget of £550,000 and the uncommitted New Homes Bonus amounts of £63,000 (in year 15/16) and potentially £317,000 (in 16/17).

National policies and funding strategies designed to deliver affordable housing have significantly changed in recent years with much greater reliance on the provision of affordable housing without public subsidy, primarily through the planning process. The Council is currently reviewing how housing will be delivered in the future. This will link to the work on 'Our Plan', the Council's strategic plan.

Tenants Incentive Scheme

The Tenants incentive Scheme offers an incentive payment to tenants of Social Landlords who wish to downsize. This frees up larger accommodation for families on our housing register or in temporary accommodation.

It also prevents the spiral of debt tenants may find themselves in if they are affected by the spare room subsidy (sometimes referred to as the "bedroom tax") and cannot afford to pay increased rents or the cost of moving. A common use of the incentive payment is where older people move to a property where there are no carpets. Payments can be made to provide carpeting in the property, combating the risk of trips and falls and possible hospital admissions. It is anticipated that the budget of £45,848 will be fully utilised in 2015/16.

Waste Containers

This budget (£19,254) is used for the replacement of recycling containers.

Improvement Grants - Disabled Facilities Grants

The demand for Disabled Facilities Grants (DFG's) continues to increase. The total number of grants completed in 2014/15 was 71 and this expected to increase to at least 80 in 2015/16. All grants are mandatory, means tested and enable people to remain living independently within their own home. Grant approvals range from simple stair lifts and level access showers through to full extensions. It is predicted that the DFG budget of £450,000 will be fully spent during this financial year (£143,656 has been spent to date). There is always a time delay between when applications are approved and when the physical spend occurs.

Old Mill Site, Okehampton

Officers are actively considering the future of the site and have been liaising with third parties including the Environment Agency. It is envisaged that the timeframe for a decision on the future of the site will be made within the next twelve months. It is felt prudent to retain the capital budget of £25,000 until a decision on the site has been made.

4. Options available and consideration of risk

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

5. Proposed Way Forward

This is considered on a project by project basis

6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		<p>Statutory powers are provided by the S1 Localism Act 2011 general power of competence.</p> <p>The capital programme is implemented in line with the Council's legal requirements, which are examined on a project-by-project basis. To date there are no undue legal concerns.</p> <p>Since there is commercially sensitive information in Appendix B regarding contract procurement, there are grounds for the publication of this appendix 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 Appendix B. Accordingly this report contains exempt Information as defined in paragraph 3 of Schedule 12A to the Local Government Act 1972.</p>
Financial		<p>The total capital budget for 2015/16 is £1,490,292 of which £163,436 has been spent to date (Appendix A).</p> <p>All capital projects are within the individual capital budgets approved by Members. (Appendix A).</p>
Risk		<p>There is a risk that the Capital Programme does not meet the Council's corporate priorities in line with the Council's Asset Strategy and the opportunity to assess emerging projects, which could contribute to the Council's priorities. The mitigation is that there is a project appraisal for each proposal.</p>

		<p>This is taken into account when assessing possible implementation timescales. Complex capital programmes have a relatively long lead-in period.</p> <p>The Council demonstrates that capital investment contributes to corporate priorities, provides value for money and takes account of the revenue implications of the investment. Regular monitoring of the capital programme and consideration of new pressures enables Members to control the programme and secure appropriate mitigation where problems arise.</p>
Comprehensive Impact Assessment Implications		
Equality and Diversity		This matter is assessed as part of each specific project.
Safeguarding		This matter is assessed as part of each specific project.
Community Safety, Crime and Disorder		This matter is assessed as part of each specific project.
Health, Safety and Wellbeing		This matter is assessed as part of each specific project.
Other implications		None

Supporting Information

Appendices:

Appendix A – Details of capital expenditure to 31st October 2015
EXEMPT - Appendix B – indoor Sports and Recreational Facilities

Background Papers:

Revenue and Capital Budget proposals for 2015/16 - Council 17 February 2015

Revenue and Capital Budget proposals for 2015/16 – Resources 3 February 2015 (RC26 refers).

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

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CAPITAL PROGRAMME MONITORING - Expenditure to 31st October 2015

	Budget 15-16	Balances brought forward from previous years	Total Budget at 1st April 2015	Expenditure to 31st October 2015	Budget remaining
Capital projects					
202004 Community Project Grants	15,000	44,859	59,859	6,280	53,579
203002 Indoor Sports and Recreation Facilities		296,728	296,728		296,728
203057 Affordable Housing		550,000	550,000		550,000
203067 Tenants Incentive Schemes	36,000	9,848	45,848	13,500	32,348
203119 Waste containers		19,254	19,254		19,254
209000 Improvement Grants	400,000	50,000	450,000	143,656	306,344
203125 Old Mill Site		25,000	25,000		25,000
203126 Contingency budget for unexpected items		43,603	43,603		43,603
Total	451,000	1,039,292	1,490,292	163,436	1,326,856
<u>To be funded by:-</u>					
Capital Receipts Reserve		484,292	484,292		
New Homes Bonus allocation	212,000	555,000	767,000		
Better Care Funding contribution for Disabled Facilities Grants	239,000		239,000		
	451,000	1,039,292	1,490,292		

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NOT FOR PUBLICATION

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

Report to: **West Devon Hub Committee**

Date: **1st December 2015**

Title: **Devon Building Control Partnership:
Provision of New Homes Warranties**

Portfolio Area: **Economy: Robert Oxborough**

Wards Affected: **All**

Relevant Scrutiny **External**

Committee:

Approval and clearance obtained: **Yes**

Urgent Decision: **N**

Date next steps can be taken: **Council - 8 December 2015**

Author: **Andrew Carpenter**
Head of Devon Building Control Partnership
01626 215721 / andrew.carpenter@devonbuildingcontrol.gov.uk

Darren Arulvasagam,
Business Development, Group Manager
01803 861222 / darren.arulvasagam@swdevon.gov.uk

Recommendations:

That the Hub Committee:

- Recommend to Council that the Devon Building Control Partnership (DBCP) is delegated authority to undertake fee-paying new home warranty building inspections in addition to their current scope of works
- Agrees that a report will be presented in early 2016 to set out the future strategy for DBCP

Executive summary

- 1.1 This report recommends that West Devon Borough Council delegates authority to Devon Building Control Partnership (DBCP) to enable it to undertake and charge for new home warranty inspections, in addition to its current scope of works. The power to undertake this work needs to be delegated to DBCP. Once agreed, DBCP will be able to provide and charge for these discretionary services under section 93 of the Local Government Act 2003.
- 1.2 Discussions have taken place with a New Home Warranty provider, who is interested in using DBCP surveyors to carry out inspections on their behalf from January 2016. Additional providers have also intimated they would like DBCP to carry out warranty inspections on their behalf.
- 1.3 Developers who currently instruct DBCP to provide statutory building control inspections may also instruct DBCP to provide a new home warranty inspection and pay an additional fee for this service. Both inspections can be carried out at the same time, meaning DBCP would, in effect, be paid twice for one inspection visit. DBCP competitors already offer these services.
- 1.4 Income generation such as this, is consistent with the Council's strategic priority of financial sustainability and will enable the DBCP to grow its business and compete more effectively in the marketplace.
- 1.5 The DBCP Board and the other partnership members (South Hams District Council and Teignbridge District Council) have all already approved this delegated authority.
- 1.6 It is not expected that these new powers will deliver a significant amount of additional work and the impact on DBCP's revenue generating capability will be minimal due to low volumes – however, being able to offer this service will help to protect DBCP's position in the market and will generate a return for minimal additional effort. Based on initial volume estimates, it is not envisaged that these additional inspections require additional resources.
- 1.7 It is proposed that should the recommendation be approved by all partners, DBCP would offer the new service from January 2016 and report back regularly through the DBCP board on take up and income generated.
- 1.8 This proposal is separate from the medium term considerations for the future operating model and strategy of the DBCP and will not be affected by any changes that happen as a result. Agreeing this delegated authority will not fetter any future decision. A report will be brought to the Hub early in 2016 to present an options appraisal on the future strategy and organisational structure of DBCP.

2 Background

- 2.1 The Devon Building Control Partnership (DBCP) was established in 2005 and provides a building control service on behalf of South Hams District Council, Teignbridge District Council and West Devon Borough Council. The partnership's board is made up of two Members from each of the three Councils.
- 2.2 DBCP is staffed with officers from all three Councils and is hosted by Teignbridge DC. Work is underway to agree the future strategy and organisational structure of the partnership and a report on the outcome of this work is expected in early 2016. It is anticipated that this will enable a decision as to whether the service should continue to operate: as is; via a local authority Teckal trading company, or; via single-Council hosting arrangement. This recommendation to give DBCP delegated authority to accept discretionary new homes warranty inspections will in no way fetter that decision.
- 2.3 DBCP complete chargeable and non-chargeable work. The chargeable work is for building or building project inspections. Approx. £1m per annum is received in income by DBCP from the chargeable works and DBCP operates largely at breakeven or with a small surplus. DBCP compete to win chargeable work with independent approved inspectors and organisations such as NHBC.
- 2.4 The statutory non-chargeable work cannot be completed by approved inspectors or other bodies such as NHBC. This work costs approx. £400k pa and this is shared between the DBCP partners. Examples of non-chargeable work include enforcement work; dealing with dangerous structures; dealing with public enquiries, and; maintaining public registers of competent persons and approved inspectors.
- 2.5 DBCP's chargeable income must cover the entire cost of providing the chargeable service whilst being legally required as per Section 93 of the Local Government Act 2003, to be non-profit making. A small surplus is expected to be achieved this year. The revenue that is generated is almost entirely sourced from the competitive market. Providing new homes warranties will help diversify this income stream and could help to create a surplus to fund future investment in the service.
- 2.6 New homes warranties are provided by a number of providers in an increasingly competitive market. At least one major warranty provider is currently also an Approved Inspector, providing private sector building control services and thereby competing directly with DBCP. Other warranty providers work together with Approved Inspectors. A significant commercial advantage to these arrangements is that building control and warranty inspections can be carried out by the same surveyor and at the same time, which is often easier and more cost effective for both the suppliers and their customers. If DBCP were to provide warranty inspections, it would erode this advantage.

DBCP: Provision of New Homes Warranties

- 2.7 A number of DBCP customers have asked why Local Authorities cannot provide joint warranty/building control inspections. Warranty inspections complement building control inspections as they cover similar technical aspects. DBCP cannot complete warranty inspections without WDBC approval.
- 2.8 There would be an obvious potential to increase building control business by offering a directly competitive service. There would be an additional source of income for DBCP to supplement that generated by current building control / inspection work.
- 2.9 The success of this venture will ultimately depend on the ability of the Warranty Company to sell its products to Housing Developers operating in the locality. Before the warranty can be validated, the new home must be inspected at various stages throughout the construction period to ensure the new home meets certain standards. The Warranty Company want to procure the services of DBCP to complete these inspections and validate that the property is of sufficient quality to benefit from the warranty.
- 2.10 It is the intention of DBCP to recover the full cost of providing this new inspection service, thus it will follow the Office of the Deputy Prime Minister (ODPM) 2003 guidance in pricing this work.

3 Outcomes/outputs

- 3.1 Discussions have taken place with a Warranty provider, who is keen to set up an arrangement with DBCP. Several of their potential customers have said they would want to use this arrangement if it becomes available. The charge levied for these services can be set at the discretion of the Partner Councils, as long as the income generated does not exceed the cost of its provision.
- 3.2 DBCP completes approximately 20,000 building inspections per annum, from its staff base of 12 full time surveyors and 7 other specialists who can also perform inspections. Note, not all of these "inspections" require a site visit, so on average each "inspection" lasts between 40 – 50 minutes.
- 3.3 If this venture is agreed, the volume of new home warranty work will be monitored and if demand consistently exceeds capacity, sufficient income would be achieved in order to justify employing additional staff. Alternatively, DBCP also has the option to seek additional temporary resources from neighboring local authorities through the LABC (Local Authority Building Control) network. LABC is a not-for-profit membership organisation that represents all local authority building control teams in England and Wales. As stated above, income from the additional inspections would be sufficient to cover any related expense. Alternatively, DBCP would always retain the right to refuse warranty work if it could not resource it effectively.

DBCP: Provision of New Homes Warranties

- 3.4 The main benefits to the Partnership from providing these services are:
- 3.4.1 **Additional income:** Although 'not for profit', this income will supplement income derived from chargeable building control services.
- 3.4.2 **Meet customer demand:** Many new home builders ask if DBCP can provide a new home warranty. Additionally, by providing this service the Partnership is likely to increase its building control business because a number of customers have expressed they would prefer a joint building control/warranty service provided by the Partnership rather than by Approved Inspectors.
- 3.4.3 **Compete with private sector:** Along with NHBC, other warranty providers such as 'Buildzone' are using Approved Inspectors (AIs) to provide their warranty inspections. This gives AIs a competitive edge. Whilst some private sector surveyors are locally based the AIs for whom they work operate nationally.
- 3.4.4 **Potential to Extend the Service:** It is intended that this service will be provided to customers in the Partnership's geographical area (i.e. Teignbridge, South Hams and West Devon). If there is a request to provide services outside these areas, this could be considered, taking into account additional cost recovery for time and travel along with impact on capacity.
- 3.5 The success of this venture will be evidenced through take up and expansion of the DBCP's work.

4 Options available and consideration of risk

- 4.1 The proposal has already been approved by the DBCP Board and approved by both the Teignbridge and South Hams Executive. Without West Devon Borough Council approval, DBCP would be unable to proceed with this venture and compete for this work.
- 4.2 WDBC could opt not to delegate powers to DBCP and the opportunity would be lost; potentially handing DBCP's competitors an advantage in that they could more effectively compete for building inspector work alongside new homes warranty work.
- 4.3 The possible risks attached to providing these services:
- 4.3.1 **Little or no increase in work results:** If this happens there will also be little or no additional expenditure other than a Professional Indemnity (PI) insurance premium. The cost for this is estimated at around £500 per year. The premium is directly linked to the value of work completed.
- 4.3.2 **Reputation:** If a homeowner were to claim for a home defect on a property that was inspected by the DBCP and received a New Home Warranty, it may bring reputational damage to DBCP or the Council.

However, this risk is inherently addressed by the warranty itself (i.e. the presence of the warranty means the homeowner is insured for any insured defect), whilst the PI insurance would cover any negligence on behalf of DBCP in the inspection process.

- 4.3.3 **Conflict of interest:** It is not anticipated there will be a conflict of interest where building control and warranty inspections are carried out by the same provider. There are no known conflicting requirements of building regulations and warranty provision. This dual provision of services is long established by a number of Approved Inspector/Warranty providers, most notably the NHBC.

5 Proposed Way Forward

- 5.1 It is proposed that should the recommendation be approved by all partners, DBCP would offer the new service from January 2016 and report back regularly through the DBCP board on take up and income generated.
- 5.2 This proposal is separate from the medium term considerations for the future operating model and strategy of the partnership and will not be affected by any changes that happen as a result. Agreeing this delegated authority will not fetter any future decision. A report will be brought to the Hub in early in 2016 to present an options appraisal on the future strategy and organisational structure of DBCP.

6 Implications

Implications	Relevant to proposals	Details and proposed measures to address
Legal/ Governance	Y	This report looks to enable the Partnership to provide and charge for discretionary services, involving the inspections of new homes on behalf of a provider of new home warranties, under section 93 of the Local Government Act 2003
Financial	Y	As detailed in the report, the income generated from this venture will depend on the success of the Warranty Company in selling its products. Further details of the business case information and the financial implications can be found within Appendix A to this report. Since there is commercially sensitive information in Appendix A there are grounds for the publication of this appendix 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 Appendix A.

DBCP: Provision of New Homes Warranties

		Accordingly this report contains exempt Information as defined in paragraph 3 of Schedule 12A to the Local Government Act 1972. Additional PI insurance are estimated to cost around £500 per annum.
Risk	Y	The associated risks are set out at 4.3.
Comprehensive Impact Assessment Implications		
Equality and Diversity	N/A	
Safeguarding	N/A	
Community Safety, Crime and Disorder	N/A	
Health, Safety and Wellbeing	N/A	
Other implications	N/A	

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

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Report to: **Hub Committee**
Date: **1 December 2015**
Title: **Corporate Enforcement Policy**
Portfolio Area: **Customer First**
Wards Affected: **All**

Relevant Scrutiny Committee: Internal and External

Urgent Decision: **N** Approval and clearance obtained: **N/a**

Date next steps can be taken: 8 December 2015

Author: **Catherine Bowen** Role: **Lead Specialist for Legal**

Contact: Catherine.Bowen@swdevon.gov.uk

Recommendations:

That the Hub Committee RECOMMENDS that the Council adopts the Corporate Enforcement Policy attached at Appendix A'

1. Executive summary

- The purpose of this report is to recommend that Members adopt the attached Corporate Enforcement Policy in respect of the Council's wide-ranging enforcement powers and duties (Appendix A).
- The proposed Policy covers all of the Council's enforcement responsibilities in one document instead of individual policies for each relevant area (e.g. planning, environmental health etc).
- The single Policy will ensure that the Council takes a consistent, accountable and proportionate approach to its enforcement duties and powers, and explains to individuals and businesses the range of options that the Council may take in relation to non-compliance, potential breaches of the law and Council Policy.

2. Background and Outcomes

- The Council has previously adopted Enforcement Policies relating to its different service areas and in some instances these have been internal working documents.
- Following the T18 restructure, these policies are due for review, and it is considered best practice to include the Council's approach to its wide-

ranging powers and duties in respect of enforcement in one public document. This will ensure that the Council takes a consistent and transparent approach to regulatory and enforcement action in a proportionate way, and one that is easily understood by the public and businesses potentially affected by enforcement action.

- In drafting the Policy, regard has been given to the Regulators’ Code (which is now a Government requirement), together with other relevant legislation such as Code for Crown Prosecutors’ and the Human Rights Act.
- Appendices which relate to a specific area only, and which have not been covered elsewhere in the Policy, are attached at the end of the Policy.

3. Options available and consideration of risk

- It is important to have a consistent Corporate Enforcement Policy with regards to the way that the Council approaches and responds to non-compliance with various legislative requirements.
- One option is not to adopt any Policy, but there are serious risks to the Council, including potential challenges for inconsistent approaches or unreasonable and disproportionate action being taken (or the risk of no action being taken at all resulting in a breach of the Councils statutory duties).
- A further option is to adopt separate enforcement policies for the Council’s various and wide-ranging enforcement and regulatory functions (such as planning, environmental health, the environment, street scene, revenue and benefits etc) but the risk here is an inconsistent approach to enforcement in their application by a range of officers, together with the difficulties that this presents to the public as to the Council’s approach to enforcement. Neither would this support the Council’s business approach under T18.
- All relevant Senior Officers who deal with non-compliance have been consulted and have had the opportunity to input into this Policy.

4. Proposed Way Forward

- It is recommended that the Council adopts a single Corporate Enforcement Policy as attached at Appendix A, which will minimise the risks set out above and provide a consistent and proportionate approach to enforcement and non-compliance and which supports the Councils cohesive way of working under the T18 structure.

5. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	The Hub Committee is responsible for considering policies and strategies not reserved to other Committees. The Council’s overarching statutory obligations are set out in the body of the report and more specifically, in the Enforcement Policy.

Financial	N	There are no direct financial implications to the adoption of the Policy.
Risk	Y	These are set out in paragraph 3 of the report.
Comprehensive Impact Assessment Implications		
Equality and Diversity		The Council is committed to equality of opportunity, promoting diversity and eliminating discrimination. Enforcement decisions will be fair and objective and not influenced by ethnicity or national origin, gender, religious beliefs, political views or the sexual orientation of the suspect, victim, witness or offender. Decisions will not be influenced by improper or undue pressure from any source.
Safeguarding		The Council will ensure that it deals appropriately with vulnerable people in making enforcement decisions, having regard to its Safeguarding Policy
Community Safety, Crime and Disorder		These will be considered in relation to specific enforcement cases
Health, Safety and Wellbeing		These will be considered in relation to specific enforcement cases

Supporting Information

Appendices:

Appendix A: Corporate Enforcement Policy

Background Papers:

None

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South Hams District Council and West Devon Borough Council

Enforcement Policy

1. Introduction

This Enforcement Policy sets out how South Hams District Council and West Devon Borough Council ('the Councils') deal with non-compliance with the wide-ranging legislation that we have a duty to enforce as local authorities. This Policy is available on our website and copies can be obtained from our offices (details of which are given at the end of this document).

This Policy complies with the requirements of the Regulators' Code, introduced by Government in April 2014. All local authority regulators and many other public enforcement bodies must have regard to this. This Enforcement Policy is a living document and will evolve in the light of feedback from businesses, emerging best practice and Government Guidance.

The Councils are committed to good enforcement practice as set out in the Legislative and Regulatory Reform Act 2006, and we aim to exercise our regulatory activities in a way which is:

- **Proportionate:** our activities will reflect the level of risk to the public and enforcement action taken will relate to the seriousness of the offence,
- **Accountable:** our activities will be open to public scrutiny, with clear and accessible policies, and fair and efficient complaints procedures,
- **Consistent:** our advice to those we regulate will be robust and reliable and we will respect advice provided by others. Where circumstances are similar, we will endeavour to act in similar ways to other local authorities,
- **Transparent:** we will ensure that those we regulate are able to understand what is expected of them and what they can anticipate in return, and
- **Targeted:** we will focus our resources on higher risk enterprises and activities, reflecting local need and national priorities.

In drawing up and developing our enforcement policy we have had regard to:

The Regulators' Code 2014 (as set out by Department for Business Innovation & Skills): in certain circumstances it may be appropriate to deviate from the Code, but any such cases will be reasoned and documented.

Human Rights Act 1998 and the European Convention on Human Rights: in

particular, decisions need to have regard to the right to a fair trial and the right to respect for private and family life, home and correspondence.

Data Protection Act 1998: details the provisions to be followed where there is a need for the Council to share information about enforcement with other agencies.

Code for Crown Prosecutors (as set out by the Crown Prosecution Service): a public document that sets out the general principles to follow when decisions are made in respect of prosecuting offenders. The Code sets out two tests that must be satisfied; commonly referred to as the 'Evidential Test' and the 'Public Interest Test'.

Legal Aid, Sentencing and Punishment of Offenders Act 2012 (Fines on Summary Conviction) Regulations 2015: changes to some fines and wording of notices.

Revised **Home Office Code of Practice on PACE part B:** powers of entry and provision of Notice of Powers and Rights when entering land.

The Councils are fully committed to the Devon and Somerset Better Business for All (BBfA) Regulatory Services Partnership, which is endorsed by the Better Regulatory Delivery Office (BRDO), part of the Department for Business, Innovation and Skills (BIS). The purpose is to build a local partnership between businesses and regulators across Devon and Somerset to promote economic prosperity, whilst maintaining public protection. This document will ensure that the Regulator will work in accordance with the BBfA principles. In doing so the Councils will create an environment and culture which will support our local businesses by making the activity that is being regulated easy to access, simple and clear to understand, whilst ensuring public protection.

The Councils will listen to business needs and act in an open and transparent way to help shape the way support is provided, this will be done following business consultations and throughout service use.

Better Business for All is business-focused, using business-led improvements to create better regulation, support business growth and create a level playing field for businesses. In order to achieve this, the Policy will be implemented in a consistent manner with competent enforcement staff who are working with the right attitudes and behaviours for the benefit of our Communities.

We are committed to avoid imposing unnecessary regulatory burdens, and to assessing whether similar social, environmental and economic outcomes could be achieved by a less burdensome means. We will adopt a proportionate approach to those we regulate based on relevant factors, for example, business size and capacity.

We will review our approach to regulatory activities from time to time, in order to remove any unnecessary burdens. We will also monitor our approach to ensure

compliance with our stated policy.

Equality

We are committed to equality of opportunity, promoting diversity and eliminating discrimination. Enforcement decisions will be fair and objective and not be influenced by ethnicity or national origin, gender, religious beliefs, political views or the sexual orientation of the suspect, victim, witness or offender. Decisions will not be influenced by improper or undue pressure from any source. A copy of our Equality and Diversity Strategy is available on our website or can be obtained from our offices.

2. What is this policy for?

This Policy seeks to clarify, communicate and explain our enforcement approach, to businesses, residents, consumers and others affected by our enforcement activities, and also sets out a consistent and transparent policy as to how the Council will approach Enforcement.

This Policy is intended to promote efficient and effective approaches to regulatory inspection and enforcement which improve regulatory outcomes without imposing unnecessary burdens. We recognise the positive impact that our services can have on economic progress and growth within the local economy and see it as part of our role to encourage and support the growth of legitimate business activity within the legal framework provided by central government.

Our staff are aware of this Policy and associated service standards and will act in accordance with this Policy and the standards set.

The overall aim of our services engaged in regulatory activity (where appropriate):

- To support good practice and promote growth for business.
- To protect our community from unsafe, unfair or illegal trading practices or unlawful activities.
- To intervene with individuals who cause nuisance or environmental crime in our communities.
- To protect the environment and amenity in our communities
- To safeguard persons in the workplace and those affected by work activities.
- To improve health and well-being across the community.

There may be legitimate circumstances where it is not possible to follow this Policy but if this is the case, we will justify the decision and record it.

The appendices to this Policy reflect practices specific to individual areas, such as Environmental Health and Planning Enforcement.

3. When does this policy apply?

We recognise that the majority of businesses and residents want to meet their legal requirements without being faced with unnecessary burdens. We are keen to be supportive by adopting a pragmatic approach through advice and guidance where we can. This Policy is our overarching approach to enforcement and is supplemented where necessary by service-specific policies.

4. Our approach to dealing with non-compliance

Where a breach of legislation, Government Guidance or Council Policy is identified, by far the most common outcome is for advice to be given to the business or individual concerned. This may be at a very early stage or after some further investigation. However we are committed to dealing firmly with those that deliberately or persistently fail to comply with the law or policy.

Communication

We will provide general information, advice and guidance to make it easier for businesses and members of the public to understand and meet their legal obligations. This will be provided promptly, in clear, concise and accessible language, using a range of appropriate formats and media. Information will cover legal requirements relating to our regulatory and enforcement activities, as well as changes to legal requirements. Where there are significant changes, we will look at the best ways of informing businesses and the public of the changes.

We will provide targeted and practical advice by telephone and, where practicable and reasonable, promote self-service via our website. Where appropriate, we will provide this advice by personal visit. We will try to maximise the accessibility and effectiveness of advice to ensure efficient use of resources and we will involve businesses and members of the public in developing both the content and style of regulatory or enforcement guidance to ensure that it meets their needs.

Businesses and individuals can confidently request advice from us on non-compliance without directly triggering enforcement action where they show a willingness to resolve the non-compliance and we encourage those we regulate / enforce against to contact us for advice.

Our staff are committed to explaining clearly the non-compliance and any advice being given, actions required or decisions taken, with reasons for these. There will be an opportunity for dialogue in relation to this. If formal action is likely to be considered as an option that dialogue may be needed to be by way of a formal recorded interview as the Police and Criminal Evidence Act 1984 requires. This is a legal process but it is used to provide fairness and clarity to anyone who is at risk of prosecution.

Delegated powers

The Council delegates the powers it has to enforce various pieces of legislation, so that individual Council 'enforcement' officers with the appropriate levels of competence, have specific authority to act. Officers with enforcement powers carry identification and confirmation of their authorisation.

Investigations are overseen by team managers and qualified senior officers, in line with the adopted Scheme of Delegation.

Sharing information/intelligence

We will refer matters to other authorities or enforcement bodies where we believe they are the most appropriate to deal with a matter. We will also accept referrals from others where we are the most appropriate enforcement body to deal with something effectively. We are committed to liaising with these bodies to target our resources and rationalise our approach. Where we refer matters to another body, we will advise the business or member of the public accordingly.

In order to maximize the effectiveness of any enforcement, we will share intelligence relating to regulatory matters both within the Councils and more widely with:

- Government agencies
- Police
- Fire authorities
- Local authorities
- Other statutory bodies

Conflict of interest

In the event of a possible conflict of interest, for example, where a key enforcement decision involves parts of the Council or its staff, we will if deemed appropriate involve another local authority in ensuring an impartial decision is made.

Publicity

In the event of a business or individual being prosecuted and sentenced as a result of enforcement action, the Council will usually issue a media release, which may also appear on the Council's website.

Risk assessment

We will ensure that our resources are targeted where they will be most effective. We will ensure that intelligence and risk assessment inform all aspects of our approach to regulatory or enforcement activity, including (where relevant):

- Data collection and other information requirements;
- Inspection programmes;

- Advice and support programmes;
- Enforcement activity and sanctions;

Where appropriate and relevant to the non-compliance, we will use the appropriate Government risk assessment scheme to inform any inspection programme or intervention but, where these do not exist, we will consult and involve businesses and other interested parties in designing any risk methodologies that we create, and publish the details. In the absence of other factors when determining risk, we will consider:

- Compliance history and potential future risks
- The existence of effective management systems
- Evidence of recognised external accreditation
- Management competence and willingness to comply
- Use of complaints/investigation filters.

We will also use intelligence to direct inspection based projects, targeting activities or businesses or individuals where there are known issues. However, complaints may also trigger a visit if that is the most appropriate response.

5. Conduct of investigations

Investigations are subject to controls on how evidence is gathered and used and give a range of protection to members of the public and potential defendants. Our investigations will be carried out in accordance with the following legislation and in accordance with any associated guidance or codes of practice, including:

- Police and Criminal Evidence Act 1984
- Criminal Procedure and Investigations Act 1996
- Regulation of Investigatory Powers Act 2000
- Criminal Justice and Police Act 2001
- Human Rights Act 1998

We will comply with the requirements of the particular legislation under which we are acting and any associated guidance or codes of practice.

Where any business has a 'Primary Authority' relationship established with a local authority regulatory service, our officers will communicate with that service at the earliest opportunity.

Powers of officers

Under certain pieces of legislation that we enforce, officers are given particular powers to carry out certain activities including, for example, sampling; inspection of premises, land, buildings, goods, equipment or documents. In certain circumstances, where offences are suspected or evidence required,

legislation gives our officers powers to seize items and documents. Powers vary depending on the legislation being used.

Where any items are seized officers will supply written confirmation of anything taken at the time or if not practical as soon as possible afterwards.

Obstruction of officers

The legislation we enforce can include offences of obstructing officers involved in enforcement activities and this can include failure to give appropriate assistance in some circumstances. We will view obstruction as a serious matter.

Occasionally, our officers work with the Police and in some circumstances the Police may use their powers of arrest. Our officers do not directly have the power of arrest or detention of persons. Failure to give Council officers appropriate assistance or information may result in prosecution proceedings in its own right.

Interviews of potential defendants and evidence processing

Where a person, company or other legal entity is suspected of breaching legal requirements and formal action remains under consideration, wherever possible (and relevant) they will:

- be formally interviewed in accordance with the Police and Criminal Evidence Act 1984 (usually but not exclusively audio recorded)
- be given the opportunity to demonstrate if a statutory defence is available to them;
- have the opportunity to give an explanation or make any additional comments about the alleged breach.

Time limits for action

Individual pieces of legislation usually stipulate time limits within which prosecutions can be brought. This is dependent upon the particular piece of legislation. We will seek to conclude our investigation in a timely manner and advise the potential defendant of the outcome without undue delay.

Review of evidence

Before a decision to prosecute is taken, the alleged offence(s) will be fully investigated, evidence gathered and a confidential report compiled by the investigating officer that will include the evidence obtained. This will be reviewed by the appropriate specialist. Cases in which a prosecution is to be pursued will be reviewed by our Legal Services team. The prosecution will then be managed through the court system by a member of the Legal Services team, with other legal representation being appointed or advice sought if required.

Keeping in touch

Alleged offenders (or their legal representatives) are encouraged to contact the investigating officer or a member of the Legal Services team if they wish to know

the progress on their investigation. Any person interviewed under caution will be informed in writing of decisions on enforcement action and the matter should not be considered as concluded until confirmed in writing, or a court hearing taken place.

Witnesses will be kept informed of the progress in accordance with our service standards.

6. Decisions on Enforcement Action

We recognise that most businesses and the public wish to comply with the law. We will endeavour to help people to meet their legal obligations without unnecessary expense. When a business or individual does break the law, we will consider all the surrounding circumstances before deciding whether formal action is appropriate.

Formal action is more likely to be pursued in instances where the offender has:

- acted fraudulently
- put the safety or health of consumers, neighbours or others at risk
- put the environment or amenity at risk
- acted irresponsibly and negligently
- failed to heed advice or previous warning, or
- failed to take reasonable steps to avoid offences being committed.

Our approach to enforcement action will aim to:

- change the behaviour of the offender;
- eliminate any damage, risk or harm caused as a result of any offences
- eliminate any financial gain or benefit from non-compliance;
- be responsive and appropriate for the particular offender and regulatory / enforcement issue;
- be proportionate to the nature of the offence and the harm caused;
- restore the harm caused by non-compliance, where appropriate; and
- aim to deter future non-compliance.

We will take into account the views of any victim, injured party or relevant person to establish the nature and extent of any harm or loss, including potential harm and loss and its significance in making the decision to take formal action. Our approach will be based on risk and expediency.

In respect of action under health and safety laws we will adopt the Enforcement Management Model (EMM) developed by the Health and Safety Executive.

There are a range of enforcement options available to us through the legislation we enforce. These vary depending on the particular circumstances and legislation and one or more options may be relevant in each case. The level of the action taken varies from 'no action' through to proceedings in Court. Examples of the main types of action that can be considered are:

- No action;
- Compliance advice, guidance and support;
- Voluntary undertakings;
- Statutory (Legal) notices (including Direct Action);
- Financial penalties;
- Injunctive actions
- Enforcement orders and notices etc;
- Simple Caution;
- Anti-social Behaviour notices, order
- Prosecution; and
- Refusal/suspension/revocation of licence or registration.

A. No Action

There will be circumstances where a contravention may not warrant action, or it may be inappropriate or not in the wider public interest. Many minor contraventions can most appropriately be dealt with via advice and guidance.

B. Compliance Advice, Guidance and Support

For minor breaches of the law we will give advice on how to put matters right, including a deadline by which this must be done. The time allowed to put things right will be reasonable, and take into account the seriousness of the breach and the implications of the non-compliance. Advice is usually provided in the form of a 'warning letter', to assist individuals and businesses in rectifying breaches as quickly and efficiently as possible, avoiding the need for further enforcement action. A warning letter (sometimes called an 'informal notice') will set out what should be done to rectify the breach and to prevent re-occurrence. Failure to comply could result in an escalation of enforcement action.

If a similar breach is identified in the future, this letter will be persuasive in considering the most appropriate enforcement action to take on that occasion. Such a letter cannot be cited in court as a previous conviction but it may be presented in evidence.

Where ever possible we will advise offenders about 'good practice', but we will clearly distinguish between what offenders *must* do to comply with the law and what is *recommended*.

We recognise that where a business has entered into a partnership with a primary

authority, the primary authority will provide compliance advice and support, and we will take such advice into account when considering the most appropriate enforcement action for it to take. It may discuss any need for compliance advice and support with the primary authority.

Where more formal enforcement action, such as a simple caution or prosecution, is taken, we recognise that there is likely to be an ongoing need for compliance advice and support to prevent further breaches.

C. Voluntary Undertakings

We may accept voluntary undertakings that breaches will be rectified and/or recurrences prevented. We will take any failure to honour voluntary undertakings very seriously and enforcement action is likely to result.

D. Statutory (Legal) Notices

In respect of many breaches, our authorised officers have powers to issue statutory notices. Such notices are legally binding. Failure to comply with a statutory notice can be a criminal offence and may lead to prosecution and/ or, where appropriate, the **carrying out of work in default** (sometimes known as **Direct Action**). This means that if a notice is not complied with (a breach of the notice), we may carry out any necessary works to satisfy the requirements of the notice ourselves. Where the law allows, we may then charge the person / business served with the notice for any cost we incur in carrying out the work.

A statutory notice will clearly set out actions which must be taken and the timescale within which they must be taken. It is likely to require that any breach is rectified and/or prevented from recurring. It may also prohibit specified activities until the breach has been rectified and/or safeguards have been put in place to prevent future breaches.

Notices may require immediate action where, for example, there are risks to public health or health and safety of persons, or an immediate risk of environmental damage or serious nuisance.

In certain limited circumstances (for example, under the provisions of food safety legislation) where an authorised officer is satisfied that there is an imminent risk of injury to health from the condition of the premises, the officer may serve notice to close the premises. This is followed by an application to a Magistrates Court to confirm the closure.

Some notices issued in respect of premises may be affixed to the premises and/or registered as local land charges.

Where a statutory notice is issued, an explanation of the relevant appeals process will be provided to the recipient.

E. Financial penalties

Certain offences are subject to fixed penalty notices where prescribed by legislation. These notices are recognised as a low-level enforcement tool and avoid the defendant obtaining a criminal record. Where legislation permits an offence to be dealt with by way of a Fixed Penalty Notice (FPN), we may choose to administer a FPN on a first occasion, without issuing a warning. They will be used in appropriate circumstances to give a fast and measured response to the situation.

If a Fixed Penalty is paid in respect of a breach, we will not take any further enforcement action in respect of that breach. Payment of a fixed penalty does not provide immunity from prosecution in respect of similar or recurrent breaches.

If a fixed penalty is not paid, we may commence criminal proceedings or take other enforcement action in respect of the breach.

F. Injunctive Actions, Enforcement Orders etc.

In some circumstances we may seek a direction from the court (in the form of an order or an injunction) that a breach is rectified and/or prevented from recurring. The court may also direct that specified activities be suspended until the breach has been rectified and/or safeguards have been put in place to prevent future breaches.

Failure to comply with a court order constitutes contempt of court, a serious offence which may lead to imprisonment.

We are required to seek enforcement orders after issuing some enforcement notices, providing the court with an opportunity to confirm the restrictions imposed by the notice. Otherwise, we will usually only seek a court order if it has serious concerns about compliance with voluntary undertakings or a notice.

G. Simple Caution

We have the power to issue Simple Cautions (previously known as 'Formal Cautions') as an alternative to prosecution for some less serious offences, where a person admits an offence and consents to the Simple Caution. Where a Simple Caution is offered and declined, prosecution is likely.

A Simple Caution will appear on the offender's criminal record. It is likely to influence how we and others deal with any similar breaches in the future, and may be cited in court if the offender is subsequently prosecuted for a similar offence. If a Simple Caution is issued to an individual (rather than a corporation) it may have consequences if that individual seeks certain types of employment. Offenders will be made aware of this before agreeing to accept a simple caution.

Simple Cautions will be used in accordance with the Home Office Circular and other relevant guidance issued by the relevant Lead Specialist.

H. Anti-Social Behaviour

Anti-social behaviour will be dealt with in accordance with the statutory guidance issued by the Home Office 'Anti-social Behaviour, Crime and Policing Act 2014: reform of anti-social behaviour powers – statutory guidance for professionals'. We will liaise with our statutory partners to ensure that Anti-social Behaviour is effectively dealt with and that our actions are proportionate.

I. Prosecution

We are more likely to prosecute in respect of serious or recurrent breaches, or where other enforcement actions, such as voluntary undertakings or statutory notices have failed to secure compliance. When deciding whether to prosecute we will have regard to the provisions of the Code for Crown Prosecutors issued by the Director of Public Prosecutions.

Under normal circumstances, a process of escalation will be used until either compliance is reached or there is no option other than to instigate proceedings. Exceptions would be where there is a serious risk to personal safety or the environment, or the offences have been committed deliberately or negligently or involve deception, or where there is significant economic detriment. Each case will be considered on its own facts and merits.

Once an officer has completed their investigation, s/he will submit a case report to a senior officer, who will decide the most appropriate course of action.

The senior officer will take into consideration the requirements of the Code for Crown Prosecutors and other relevant codes before deciding whether or not to authorise the institution of legal proceedings.

The Legal Lead Specialist (in consultation with the relevant Senior Lead Specialist) must be satisfied that there is sufficient evidence to provide a reasonable prospect of conviction against each defendant on each charge (i.e. that a jury or bench of Magistrates, properly directed in accordance with the law, is more likely than not to convict the defendant of the charge alleged). To this end, the Legal Lead Specialist (in consultation with the relevant Lead Specialist) will look at all the available evidence, reliability of witnesses, supporting documentation and any other matters relating to the investigation. Only when this evidential test has been satisfied will the public interest to proceed with the prosecution be considered.

In deciding whether a prosecution will serve the public interest, the senior officer will balance factors for and against the prosecution carefully, fairly and impartially. Some factors may increase the justification to prosecute whereas others may militate against.

A successful prosecution will result in a criminal record. The court may impose a fine and in respect of particularly serious breaches a prison sentence. Prosecution

may also lead, in some circumstances, to the disqualification of individuals from acting as company directors or, in the case of food safety laws, from managing a food business.

The Council will always seek to recover all prosecution costs where possible.

In some cases we are likely to make applications to the Court under the Proceeds of Crime Act 2002 (POCA) for confiscation of assets. These are the most serious cases or where there is persistence of offending over a long period of time or where the offences are deemed to be 'lifestyle crime' under POCA. Their purpose is to recover the financial benefit that the offender has obtained from his criminal conduct.

J. Refusal/Suspension/Revocation of Licences

We issue a variety of licences and permits and register certain persons/activities. Many of these include conditions which require the licence holder to take steps to ensure that, for example, a business or activity is properly run. Breach of these conditions may lead to a review of the licence which may result in its revocation or amendment.

When considering future licence applications, we may take previous breaches and enforcement action into account.

We will provide a timely explanation in writing to any rights of representation or appeal to our enforcement action and provide practical information on the process involved.

Where legislation allows and information arises which goes to the heart of the licensing legislation then a case may be brought for immediate revocation of the licence.

7. Review of this Policy

This Policy will be updated should any changes in legislation or relevant codes of practice require it to be updated, and we welcome any comments on the Policy at any time.

We will adopt mechanisms to engage with those we regulate; including businesses and individuals to offer views and contribute to the development of our policy and service standards. Before changing our policy, practice or service standards, we will consider the impact on business and engage with business representatives.

8. Comments and Complaints

If a matter has not yet reached court or in any other case where a person affected by an enforcement decision is dissatisfied, as with other complaints about our service or staff, one of our managers will be able to discuss the cause of the dissatisfaction, and will try to find a solution.

We have a Complaints Procedure and any person aggrieved by the enforcement action taken by the Council in connection with our enforcement activity (or any other actions) may register their complaint in accordance with that procedure. Copies of this document (and other documents referred to in this Policy) are available upon request by writing to either:

- South Hams District Council, Follaton House, Plymouth Road, Totnes TQ9 5NE or telephoning 01803 861234 or via the Council's website at www.southhams.gov.uk or,
- West Devon Borough Council, Kilworthy Park, Drake Road, Tavistock PL19 0BZ or, telephoning 01822 813600 or via the Council's website at www.westdevon.gov.uk.

All our publications are available in alternative formats, such as large print or a language other than English. Please contact us using the above contact details or email:

customer.services@southhams.gov.uk or, customer.services@westdevon.gov.uk.

Appendix 1

Environmental Health

A separate document (available on the website) details our Service Standards and how we can support businesses.

Primary Authority Scheme: (developed by the Better Regulation Delivery Office): when considering taking enforcement action against any business or organisation that has a 'Primary Authority' agreement, we will have regard to guidance issued by the Secretary of State in relation to the Primary Authority scheme pursuant to the Regulatory Enforcement and Sanctions Act 2008.

Home Authority Principle (as set out by Local Government Regulation): we support this principle which is to promote good enforcement practice and reduce burdens on business. (It was developed for food and trading standards authorities and applies to a local authority where the decision making base for a large multi-site business is located). Under this we will:

- provide businesses for whom we are the 'home authority' with appropriate guidance and advice;
- maintain records of our contacts with 'home authority' businesses to reduce the amount of information they have to provide to us;
- support efficient liaison between local authorities, and
- provide a system for the resolution of problems and disputes.

We recognise that where a business has entered into a 'primary authority' or a 'home authority' arrangement with a particular regulatory service then that primary or home authority will provide compliance advice and support. We will take such advice into account when considering the most appropriate enforcement action. We may discuss any need for compliance advice and support with the primary or home authority. Liaison will take place at the earliest opportunity with that authority.

Appendix 2

Planning Enforcement

1.0 Introduction

- 1.1 South Hams District Council and West Devon Borough Council are the responsible Authorities for the Planning Enforcement Service within their administrative areas. Effective enforcement is important as a means of maintaining public confidence in the planning system.
- 1.2 In order for the Councils to give the best possible service to members of the public, it is vital that this document clearly sets out what matters we are able to deal with and how we balance demands on our services against the resources available to us.

2.0 What is Planning Enforcement?

- 2.1 The Councils are responsible for investigating breaches of planning control which will ordinarily constitute the following:-

- Development or change of use of land without planning permission
- Not complying with conditions of a planning permission
- Demolition in a Conservation Area without consent
- Works to a Listed Building or protected tree without consent
- Neglecting land or buildings which harms local amenity
- Advertisements which harm amenity or public safety

What is not Planning Enforcement?

- 2.2 The planning enforcement team will not investigate:-

- Boundary disputes/trespass
- Destruction of property during the building process
- Devaluation of property
- Competition to other business
- Squatting
- Unsafe structures
- Fly tipping
- Civil disputes
- Party wall disputes

3.0 The Council's Approach to Planning Enforcement

- 3.1 Local Authorities have a general discretion to take enforcement action, when they regard it as expedient. In considering any enforcement action, the decisive issue for the Councils will be whether the breach of control would unacceptably affect public amenity or an existing use of land and buildings meriting protection in the public interest
- 3.2 Planning legislation and policies will be enforced in a fair, equitable and consistent manner, although care will be taken to ensure that the merits of each case are carefully considered. The emphasis of South Hams District Council and West Devon Borough Council policy is on persuasion, influence and education to secure the aims of the above legislation and planning policies.
- 3.3 Where serious harm is being caused by the breach of planning control, both Councils will take firm action and may not enter into any negotiations before doing so.
- 3.4 Enforcement action should always be commensurate with the breach of planning control to which it relates. The Councils will not normally take enforcement action in order to remedy only a slight variation in excess of what would have been permitted by virtue of the Permitted Development Legislation or Planning Permission.
- 3.5 Section 70c of the Town & Country Planning Act 1990 (as amended) provides that a local planning authority may decline to determine an application where any part of that application relates in whole or part to the matters specified in an enforcement notice as constituting a breach of planning control. The purpose of the provision is to stop time being taken with repeat applications for slightly amended schemes, each subsequently being taken to appeal which delays full compliance with an existing enforcement notice. Both Councils will use this power where any proposed application fails to sufficiently address the breaches of planning control set out within the existing enforcement notice on the land.

4.0 What action can the Councils take?

- 4.1 In every case it investigates, the Councils must first establish whether or not a breach of planning control has in fact taken place. In some cases this will not always be clear and in such circumstances the authority may serve a 'Planning Contravention Notice' on the owner/occupier of land or property which will require answers to specific questions relating to any alleged breach of planning control.
- 4.2 If a breach of planning control is established and it is considered expedient to do so then the Councils can take formal enforcement action this can be through:

- Service of an 'Enforcement Notice'
- Service of a 'Breach of Condition Notice'
- Service of a 'Section 215 Notice'
- Service of a 'Listed Building Enforcement Notice'
- Service of a 'Conservation Area Enforcement Notice'
- Service of a 'Section 207 Notice' requiring the replacement of a protected tree which has been felled without permission.

Failure to comply with any of the above notices is a criminal offence

- 4.3 A copy of any Enforcement Notice served will be kept on a publicly available Enforcement Register, a copy of the Notice will also be placed on the Land Charges Register. The Notice will remain on public record and will be revealed on any property searches.
- 4.4 Where the requirements of any Enforcement Notices are not complied with within the specified time frame the Councils will take appropriate action which can take the form of a Criminal Prosecution, Injunctive Relief or Direct Action.
- 4.5 In cases where it appears that there has been significant financial benefit in failing to comply with any enforcement notice, the Council will use the Proceeds of Crime Act 2002 to seek to recover any monies or assets gained during the time the Enforcement Notice has been breached.
- 4.6 Prior to taking any formal enforcement action or instigating any prosecution proceedings in relation to planning enforcement, the Councils will give careful consideration to the provisions of the Human Rights Act 1988 and will have due regard to Public Sector Quality Duty as set out within s.149, Equality Act 2010.

5.0 Complaints of Breaches of Planning Control

- 5.1 The Councils will investigate complaints of a breach of planning control if they are provided with:
- The exact address / location of the property or land affected
 - (if the property / land is not correctly identified Council officer may not be able to inspect the site)
 - Details of the alleged breach
 - Any other relevant information
 - Your name and address
- 5.2 Complaints can be forwarded by email, by telephone, in writing or through the South Hams District Council and West Devon Borough Council websites. Contact details are available at the end of this Policy. South Hams District Council and West Devon Borough Council have a policy of maintaining the confidentiality of the complainant in all cases.

- 5.3 Anonymous complaints will not be accepted. If you are concerned about submitting your details, please contact your Local Councillor who can submit a complaint on your behalf. We will then be able to use the Councillor as the point of contact and they in turn can update you on the complaint.
- 5.4 The Councils receives approximately 700 planning enforcement complaints every year which must be investigated. When assessing your complaint the Councils will take into account whether the works are:
- to a Listed Building
 - causing a serious risk to public health
 - to a Protected Tree
 - within a Conservation Area
 - contrary to a Planning Condition
 - unauthorised display of an Advertisement in a prominent location
 - contrary to Local and National Policy
 - to a building that adversely affects the amenity of adjacent properties
 - conversion of a building into flats
 - a High Hedge complaint
 - a breach of planning control
 - sufficient to warrant any action by the Council

6.0 Contact Information

If you have any further questions relating to the planning enforcement process please do not hesitate to contact us using the following methods:

By Email: PlanningEnforcement@swdevon.gov.uk

By Phone: Customer Services 01803 861234

By Post: South Hams District Council
Follaton House
Plymouth Road
Totnes
Devon
TQ9 5NE

West Devon Borough Council
Kilworthy Park
Drake Road
Tavistock
Devon
PL19 0BZ

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Report to: **Hub Committee**
Date: **1st December 2015**
Title: **Review of waiting time in Brook Street car park, Tavistock**
Portfolio Area: **Commercial Services – Cllr Sampson**

Wards Affected: **All Tavistock Wards**

Relevant Scrutiny Committee:

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

Date next steps can be taken: 8th December 2015
(Council meeting)

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

Contact: **Cathy.aubertin@swdevon.gov.uk**

Recommendations:

1. That the Committee recommends to Council to approve the proposal to implement long-stay parking on the top two decks of Brook Street car park, Tavistock.

1. Executive summary

- 1.1 The report requests that Members consider the recommendation to make an amendment to the West Devon Off-Street Parking Places Order in respect of the waiting time permitted on the top two decks of Brook Street car park, so that long-stay parking is permissible, using the £2 all-day tariff currently available in all other long-stay car parks in Tavistock.
- 1.2 This recommendation will support the £2 tariff, which has proved successful, and will provide additional long-stay parking in the town.

- 1.3 Not making this resolution may result in further complaints about the lack of available long-stay parking in the town.

2. Background

- 2.1 The £2 all-day tariff in all long-stay car parks, previously resolved by the Community Services Committee, has proved successful and achieved the goal of encouraging more footfall in the town.
- 2.2 The scheme has been received largely positively by the community and by visitors to the town, and the business community has reported sales directly attributed to it.
- 2.3 However, a few complaints have been received that long-stay parking in the town is now limited.
- 2.4 Increasing the long-stay parking availability will assist with this perception, as well as encouraging more use of Brook Street car park, where usage has fallen due to its poor condition.
- 2.5 In conjunction with the recommendation, officers are working to establish the cost and feasibility of a refurbishment of Brook Street car park, in partnership with the Co-operative Store, again to encourage more use of this area of the town.

3. Outcomes/outputs

- 3.1 The use of the car park, together with the income, will be closely monitored by officers, to ensure that the income received by the Council is not negatively affected.

4. Options available and consideration of risk

- 4.1 This matter was considered by the West Devon Car Parking Strategy Group, and the result of the discussion was the request that this recommendation be presented to the Committee.
- 4.2 The group felt that, bearing in mind the small number of complaints received about the £2 all-day tariff, and the fact that the initiative is considered a success by the business community and the majority of customers, the proposal would resolve the few complaints received.
- 4.3 However, it was acknowledged that the overall initiative needs a full and proper review after 12 months, with further amendments to be made if considered necessary.

5. Proposed Way Forward

- 5.1 Should the Committee resolve to recommend to Council to agree to the recommendation included in this report, a public notice will be

placed in the local press and in Brook Street car park, which will request that members of the public make any objections to the proposal within 21 days. Should a large number of objections be received, the matter will be brought back for reconsideration by the Committee.

- 5.2 The financial impact of the proposal will be monitored on a monthly basis in order to protect the Borough Council's income stream.
- 5.3 The proposal to make this amendment to the Off-Street Parking Places Order is in line with the following priorities:
- Community well-being
 - Access to services
 - Towards excellence
 - Customer First

6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		<p>The Council has the power to provide off-street parking under the Road Traffic Regulation Act 1984 (as amended).</p> <p>The Council has the power to deal with the provision, management and control of car parks.</p> <p>The Council has the powers to provide this service under the General Powers of Competence in the Localism Act 2011.</p>
Financial		<p>Amendments to the Off-Street Parking Places Order cost approximately £600 to advertise, and this may be funded by the Car Park budget.</p> <p>As mentioned in the Revenue Budget Monitoring 2015/ 16 report, car parking income is currently higher than the target for the first seven months of 2015/16. This trend is expected to continue and income is predicted to be £30,000 above the target.</p>
Risk		<p>There is a risk that income may fall in Brook Street car park. This will be monitored and, should it prove to be the case, the current Pay & Display tariffs may be reinstated, in order to protect the Council's income stream.</p>
Comprehensive Impact Assessment Implications		

Equality and Diversity		No implications.
Safeguarding		No implications.
Community Safety, Crime and Disorder		No potential positive or negative impact on crime and disorder reduction.
Health, Safety and Wellbeing		No implications.
Other implications		None.

Supporting Information

Appendices:

None.

Background Papers:

None.

Approval and clearance of report

Process checklist	Completed
Portfolio Holder briefed	Yes/No
SLT Rep briefed	Yes/No
Relevant Exec Director sign off (draft)	Yes/No
Data protection issues considered	Yes/No
If exempt information, public (part 1) report also drafted. (Cabinet/Scrutiny)	Yes/No

At a Meeting of the **OVERVIEW & SCRUTINY (EXTERNAL) COMMITTEE** held at the Council Chamber, Council Offices, Kilworthy Park, Drake Road, **TAVISTOCK** on **TUESDAY** the **17th** day of **NOVEMBER 2015** at **2.00 pm**.

Present:

Cllr P J Ridgers – Chairman
Cllr D W Cloke – Vice-Chairman
Cllr K Ball
Cllr N Jory
Cllr A Roberts
Cllr B Stephens

Cllr R Cheadle
Cllr T G Pearce
Cllr J Sheldon
Cllr L Watts

Head of Paid Service
Place and Strategy – Lead Specialist
Senior Specialist – Democratic Services
Corporate Procurement Officer
Job Centre Plus Representatives: Naomi Brooks, Maria Sullivan and Jacki Williams
Connecting Devon and Somerset Representative: Karen Bohan

Also in Attendance:

Cllrs M J R Benson, J B Moody, D E Moyse, C R Musgrave, R F D Sampson, L Samuel, P R Sanders and J Yelland

***O&S(E) 16 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Cllrs A F Leech and G Parker.

***O&S(E) 17 DECLARATIONS OF INTEREST**

Members and officers were asked to declare any interests in the items of business to be considered during the course of this meeting, but there were none made.

***O&S(E) 18 PUBLIC FORUM**

The Chairman informed that there had been no issues raised for this meeting in accordance with the Public Forum.

***O&S(E) 19 HUB COMMITTEE FORWARD PLAN**

The most recently published Hub Committee Forward Plan was presented for consideration.

In discussion, reference was made to:-

- (a) the provision of discretionary inspection services by the Devon Building Control Partnership report. Officers clarified that the intention was for a recommendation to be made by the Hub Committee, which would be presented to the Council at its meeting on 8 December 2015;

- (b) the Social Media Policy and Protocol and the Safeguarding Policy. The Committee was advised that these agenda items had now been deferred from 1 December Hub Committee meeting agenda;
- (c) the Devolution Draft Proposal. In light of the date constraints associated with this matter, it was noted that the report to accompany this agenda item was likely to be received by Members only a day or so before the Hub Committee meeting took place.

***O&S(E) 20 JOB CENTRE PLUS REPRESENTATIVES**

Following a formal proposal request from Cllr Leech (which was subsequently endorsed by the Agenda Setting Panel), Job Centre Plus (JCP) representatives (Naomi Brooks, Maria Sullivan and Jacki Williams) were in attendance to respond to Member questions.

In responding to Member questions, particular reference was made to:-

- (a) the consultation period on the JCP proposals to cease the arrangement of conducting Fortnightly Jobsearch Reviews with its customers in Okehampton and Tavistock. The representatives informed that Borough Council Members and Okehampton and Tavistock Town Councils were advised of the proposals at the same time. When questioned in respect of why the consultation period was so short (4 weeks rather than 12), the representatives advised that they were unsure as to the methodology and would respond in writing after this meeting;
- (b) the reasoning behind the changing arrangements. It was noted that the decision had been taken in light of the central government budget cuts and the recent significant reduction in customers who now required the Fortnightly Jobsearch Reviews (currently 87 in Tavistock and 59 in Okehampton);
- (c) the circumstances for each customer being considered on their own merits. Members asked a series of questions regarding consideration being given to appointment times in Plymouth and Exeter being made to take into account factors such as public transport timetables and childcare/caring responsibilities. In reply, JCP representatives gave assurances that the JCP did not wish to make things difficult for customers and looked at the individual circumstances in each instance. In addition, the Committee was advised that the JCP did everything possible to ensure that appointments were made at the most convenient time;
- (d) failure to attend a Fortnightly Jobsearch Review meeting. In line with national policy, customers would be required to give reasons for their failure to attend a meeting and, in respect of potential 'sanctions' being imposed, each case would then be looked at on its own merits. For example, allowances would be made for instances such as inclement winter weather and road traffic accidents;

- (e) the Ockmont Centre, Okehampton alternative proposal which would prevent customers from needing to travel to Exeter. JCP representatives confirmed that the proposal to utilise Skype had been ruled out at this time since the JCP did not currently have the ability to utilise this technology. However, this would be revisited by the JCP when the new national agreement was considered;
- (f) making an initial claim. It was noted that customers had always been expected to make their initial claim at either Exeter or Plymouth and this facility had never been offered at either Okehampton or Tavistock;
- (g) the extra travel distance for customers. In line with the expectation that customers were actively looking for work, a Member commented that the extra travel distance may act as an incentive for claimants to find work;
- (h) an open invitation to Members. The representatives extended an invitation to any interested Members who wished to visit the Plymouth or Exeter office and sit in on a Fortnightly Jobsearch Review interview.

In conclusion, the Chairman thanked the representatives for their informative responses to Member questions.

***O&S(E) 21 RURAL BROADBAND PROJECT UPDATE**

A representative from Connecting Devon and Somerset (CDS) (Karen Bohan) provided a project update to the Committee. In so doing, the Committee noted that:-

- 217,000 premises across Devon and Somerset had been connected to the BT fibre network. Of these, around 185,000 homes and businesses had the capability to access superfast broadband speeds of 24Mbps and over;
- CDS was well set to achieve the Government's target to provide an average of 90% of homes and businesses across Devon and Somerset with access to superfast broadband by the end of 2016;
- when looking towards Phase 2 (95% of homes and businesses having the capability to access superfast broadband) of the project, early discussions with broadband suppliers had been completed. Subject to State Aid clearance, CDS wished to launch the invitation to tender in February 2016, with a view to having contracts in place by June 2016.

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

- (a) In reply to a number of Members citing examples of areas that fell between those allocated to be provided by a commercial supplier and those currently under review by CDS, the representative confirmed that Phase 2 of the project would need to be underpinned by an Open Market Review, which would provide a revised picture of need;

- (b) In instances of those postcode areas on some parts of Dartmoor that were proposed to be covered by both Airband and BT, the representative informed that CDS was currently looking at this matter;
- (c) In respect of the unfortunate delay to Phase 2, Members were informed that this was due to the initial tender submission received not constituting value for money;
- (d) The representative gave assurances that Airband was a sustainable and reliable provider which had successfully undergone due diligence tests. Furthermore, CDS was confident that Airband had longevity and would ensure that the network was run effectively for at least seven years after being deployed;
- (e) Some Members requested that the coverage map be made available as soon as was practically possible;
- (f) With regard to the survey to build an evidence base of superfast need for businesses in the West Devon area, officers confirmed that, upon receiving a copy of the survey, they would disseminate it to businesses and upload it on to the Council website accordingly.

The Chairman concluded consideration of this agenda item by thanking the representative for her interesting presentation and thought provoking responses to Member questions.

O&S(E) 22 OUR PLAN REVIEW

A report was considered that provided an update on Our Plan. In the ensuing debate, reference was made to:-

- (a) the division of responsibility between Hub Committee Members. For clarity, the Leader advised those present that he was the lead Hub Committee Member for the overriding 'Our Plan' and Cllr Parker was the lead Member specifically for the 'Local Plan'. In discussion, there was a general consensus that progress on the wider 'Our Plan' should not be constrained by any delays on the 'Local Plan' aspect and these should therefore run in parallel;
- (b) it was felt to be reassuring that the activity plan illustrated that at least some progress had been made on every action related to the Borough;
- (c) the relationship with Plymouth City Council (PCC) and Dartmoor National Park Authority (DNPA). The Leader informed that PCC was keen on investigating the merits of developing a joint Local Plan. As a consequence, a meeting was due to take place in the upcoming weeks between PCC, DNPA, South Hams District Council and Borough representatives to discuss this matter further;

- (d) being realistic and reasonably ambitious. Members recognised that there was a need to strike the delicate balance between setting realistic aims and objectives whilst still being sufficiently ambitious;
- (e) future reporting methods. The following presentation methods were suggested for future consideration:-
- differentiating between the less contentious actions and those that require more focus;
 - creating a 'Traffic Light' system to enable for Committee focus to be on the 'Red' and 'Amber' actions; and
 - separating those actions that would not see any progress until the year end.
- (f) the need to improve the communications in relation to Our Plan was recognised by the Committee;
- (g) Member participation in the process. A number of suggestions were put forward for Members to be involved in the Our Plan process. In conclusion, the Committee was of the view that, in the first instance, an Overview and Scrutiny sponsored all Member event should be held with South Hams District Council Members early in the New Year. When put to the vote, this proposal was declared **CARRIED**.

It was then:

RECOMMENDED

That the Hub Committee **RECOMMEND** to the Council that:

1. The monitoring of Our Plan and the 2015/16 Annual Delivery Plan be noted;
2. West Devon Our Plan be re-issued for the start of the 2016/17 Financial Year as a document that:-
 - o recognises Our Plan as the single comprehensive Council Plan;
 - o restates the Council's corporate Vision and Objectives;
 - o establishes the common basis for the Council's Financial Plan, Asset Management Plan, Local Plan and all other Plans and Strategies;
 - o establishes long-term and short-term priorities for delivery, including a delivery plan commencing in 2016/17;
 - o establishes mechanisms for delivery;
 - o establishes engagement, monitoring and review procedures; and
 - o provides context for subsequent incorporation of the Local Plan element currently subject to separate preparation;

3. an Overview and Scrutiny sponsored all Member event should be held with South Hams District Council Members early in the New Year; and
4. the proposed document be presented back for review to the Overview & Scrutiny (External) Committee, Hub Committee and Council for agreement prior to publication.

***O&S(E) 23 HEALTH AND WELLBEING (LEISURE) PROCUREMENT UPDATE**

The Committee considered an update report on the matter of the Health and Wellbeing (Leisure) procurement exercise.

In discussion, reference was made to:-

- (a) one life leisure. The lead Hub Committee Member informed that one life leisure (the current contract providers for both Meadowlands and Parklands) had initially participated in the process but had subsequently opted against tendering for the contract;
- (b) the project timescale. It was noted that the Invitation to Submit Detailed Solutions would expire on 7 February 2016. Following this deadline, a further session of dialogue would take place before final tenders would be invited during next summer. After this time, negotiations would be undertaken with the preferred company, with the contract being awarded by August 2016 and a go live date of 1 December 2016. In light of the pace of the process, the Committee concluded that it would be useful to receive a further update at its next meeting on 15 March 2016.

It was then:

RESOLVED

That the progress of the procurement for Health and Wellbeing (Leisure) Services be noted and a further update report be presented to the next Committee meeting on 15 March 2016.

***O&S(E) 24 TASK AND FINISH GROUP UPDATES**

(a) DCH Review Proposal

As an update, Cllr Watts informed that the Group had yet been unable to convene a meeting with the lead officer.

In addition, a series of figures had been obtained and were to be analysed by the Group and it was therefore deemed appropriate for a more detailed update to be given to the next meeting on 15 March 2016.

(b) Partnership Review

Group Members confirmed that the first joint meeting had been held at Follaton House, Totnes. During this meeting, the Group terms of reference had been established and work had commenced through the list of partnerships. It was confirmed that the next meeting had been scheduled to take place at Kilworthy Park on 6 January 2016.

When questioned, the lead officer confirmed that he would circulate to Members the summary notes arising from the first Group meeting.

***O&S(E) 25 DECISIONS LOG**

The latest version of the Decisions Log was considered and welcomed by the Committee.

It was then:

RESOLVED

That the published Decisions Log be noted.

***O&S(E) 26 DRAFT WORK PROGRAMME 2015/16**

The Committee considered its draft 2015/16 Work Programme and made reference to the following comments, additions and amendments:-

- (a) The need to look beyond 2015/16 was recognised and Members were asked to begin to consider potential future agenda items. In so doing, Members felt that it would be opportune to informally consider in more detail after the joint Budget meeting on 12 January 2016;
- (b) The Committee acknowledged the need to include the Leisure project update on the next meeting agenda on 15 March 2016.

(The meeting terminated at 4.25 pm)

Chairman

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