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West Devon
Borough
Council

WEST DEVON COUNCIL - TUESDAY, 14TH FEBRUARY, 2012

Agenda, Reports and Minutes for the meeting

Agenda No Item

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

2. **Reports**
 Reports to Council:
 - a) Item 11 - General Fund Revenue Budget for 2012/2013 (Pages 5 - 44)
 - b) Item 12 - Capital Programme 2012/2013 to 2014/2015 (Pages 45 - 60)
 - c) Item 13 - Democratic Arrangements (Pages 61 - 72)

3. **Minutes - 14 February 2012 (Pages 73 - 80)**

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(ii)	Overview & Scrutiny Committee Meeting held on 17 th January 2012 Council is asked to note the recommendation to the Strategies & Resources Committee contained within Minute No. OSC 19 Performance Indicator Review Working Group	15
(iii)	Planning & Licensing Committee Meeting held on 6 th December 2011 Meeting held on 3 rd January 2012 Meeting held on 31 st January 2012	18 33 40
(iv)	Standards Committee Meeting held on 24 th January 2012	44
(v)	Strategies & Resources Committee Meeting held on 24 th January 2012	46

Unstarred Minutes to agree:

S&R 35 – Revenue Budget For 2012-2013

Please Note: This item is included in agendum 11 where the vote will be taken.

That in order to set a Balanced Budget for 2012-2013, an increase in Council Tax of 2.5% will be set (the Band D Council Tax for West Devon Borough Council will be £196.95 for 2012-13, an increase of £4.80 per year or 9 pence per week) as per Section 5.14 of the presented report;

That the financial pressures in Appendix A of the presented report should be accepted (total of £197,500);

To agree the schedule of savings identified in Appendix A, totalling £469,398;

To agree to use £200,000 of funding from the New Homes Bonus Scheme as per paragraph 7.5 of the presented report;

To agree the details set out in Section 4.8 of the presented report on the fees and charges which the Council has the discretion to levy;

To set a target for additional savings from shared services of £50,000 for 2012-13 as per Section 4.5 of the presented report;

To allocate £40,250 of the New Homes Bonus to the Dartmoor National Park Authority; and

That the Discretionary bids should be accepted (as shown in Appendix A of the presented report totalling £12,500).

S&R 37 – Capital Programme 2012/2013 to 2014/2015

Please Note: This item is included in agenda 12 where the vote will be taken.

1. The budget for the 2012/13 Capital Programme totalling £1,045,000 as shown in Section 5.1 of the presented report be approved;
2. The proposed method of funding the Bids shown in Section 5.2 of the presented report be approved; and
3. Approval be delegated to the Head of Environmental Health and Housing, in consultation with the Head of Finance, to be able to amalgamate the Private Sector Renewal Grant budget and the Disabled Facilities Grant budget in each financial year and to use the total budget in order to meet the demands of both capital schemes.

S&R 38 – New Website

Members are recommended to agree:

1. Expenditure required to proceed with procurement and implementation of the new website be approved; and
2. The cost of the new website be funded from the existing budget of £35,000 within the approved Capital Programme for 2011/12 plus an additional bid for £5,000 to the Capital Programme for 2012/13.

S&R 41 – New Revenue and Benefits Software Contract

Members are recommended to agree:

1. That the project be added to the Capital Programme for 2012/13; and
2. That the cost of the new system is funded from the Revenues and Benefits Earmarked Reserve, plus an additional bid to General Fund Earmarked Reserves.

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|------------|---|-----|
| 11. | To receive the report of the Head of Finance on the General Fund Revenue Budget for 2012/2013 | 51 |
| 12. | To receive the report of the Head of Finance on the Capital Programme 2012/2013 to 2014/2015 | 84 |
| 13. | To receive the report of the Chief Executive on proposed Democratic Arrangements | 96 |
| 14. | To Order the affixing of the Common Seal
For the information of Members, a list of documents sealed by the Council and witnessed by the Mayor and the Chief Executive during the period 24 th November 2011 to 31 st January 2012 is attached. | 104 |

PART TWO – ITEMS WHICH MAY BE TAKEN IN THE ABSENCE OF THE PRESS AND PUBLIC ON THE GROUNDS THAT EXEMPT INFORMATION MAY BE DISCLOSED (if any).

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

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

Dated this 6th day of February 2012

A handwritten signature in black ink, appearing to read "R. Heard". The signature is written in a cursive style with a large initial "R".

Chief Executive

NAME OF COMMITTEE	Council
DATE	14 February 2012
REPORT TITLE	Revenue Budget for 2012/2013
Report of	Head of Finance & Audit
WARDS AFFECTED	All

Summary of report:

To provide an updated forecast of the financial situation for the Revenue Budget for 2012/2013. The forecast is intended to provide a framework within which decisions can be made regarding future service provision and council tax levels.

Financial implications:

The report shows a balanced budget for 2012/2013 if the recommendations contained within this report are adopted.

RECOMMENDATIONS:

It is recommended that Members agree:

1. To set a 2.5% increase in Council Tax for 2012/2013 (the Band D Council Tax for West Devon Borough Council will be £196.95 for 2012/2013, an increase of £4.80 per year or 9 pence per week) as per Section 5.6
2. That the financial pressures in Appendix A should be accepted (total of £197,500).
3. To agree the schedule of savings identified in Appendix A, totalling £469,398.
4. To agree to use £200,000 of funding from the New Homes Bonus Scheme as per 7.5
5. To agree the details set out in Section 4.8 on the fees and charges which the Council has the discretion to levy
6. To set a target for additional savings from shared services of £50,000 for 2012/2013 as per Section 4.5
7. To allocate £40,250 of the New Homes Bonus to the Dartmoor National Park Authority

8. The Discretionary bids should be accepted (as shown in Appendix A totalling £12,500).
9. A consequential General Fund Budget Requirement for 2012/2103 of £7,329,105 as shown in Section 6.3.
10. That the minimum level of unearmarked reserves be maintained at £700,000.
11. That the level of reserves and the assessment of their adequacy and the robustness of budget estimates be noted. This is a requirement of Part 2 of the Local Government Act 2003.

Officer contact:

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Carolyn Haynes, Chief Revenue Accountant
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1. BACKGROUND

- 1.1 At a meeting of the Strategies & Resources Committee on 5 July 2011, it was resolved that:

Members recommend to Council that:

- The Financial Strategy is accepted as a foundation document for the Council's budget setting process.
- The Council's policy should be to set a minimum level of unmarked revenue reserves of £700,000

And Members note:

- That the Senior Management Team is tasked with identifying options for savings necessary to balance the 2012/13 budget.
- The schedule of Earmarked Reserves

- 1.2 The forecast was intended to provide a framework within which decisions could be made regarding future service provision and council tax levels.
- 1.3 The Medium Term Financial Strategy for 2012/2013 to 2015/2016 was presented to Members on the 5th July 2011.
- 1.4 On 15 September a Medium Term Financial Strategy Workshop was held for Members. Ideas for how savings could be achieved over the next four years of the Council were discussed.

1.5 On 15th November 2011, the Strategies & Resources Committee considered a report on the Revenue Budget position for 2012/2013. This provided an updated forecast of the financial situation for the revenue budget for 2012/2013.

1.6 Further, at a meeting of the Strategies & Resources Committee on the 24th January 2012, it was resolved that:

Members recommend to Council:

- That in order to set a Balanced Budget for 2012-2013, an increase in Council Tax of 2.5% will be set (the Band D Council Tax for West Devon Borough Council will be £196.95 for 2012/2013, an increase of £4.80 per year or 9 pence per week) as per Section 5.6 of the presented report,
- That the financial pressures in Appendix A of the presented report should be accepted (total of £197,500),
- To agree the schedule of savings identified in Appendix A, totalling £469,398,
- To agree to use £200,000 of funding from the New Homes Bonus Scheme as per paragraph 7.5 of the presented report,
- To agree the details set out in Section 4.8 of the presented report on the fees and charges which the Council has the discretion to levy,
- To set a target for additional savings from shared services of £50,000 for 2012/2013 as per Section 4.5 of the presented report,
- To allocate £40,250 of the New Homes Bonus to the Dartmoor National Park Authority, and
- That the Discretionary bids should be accepted (as shown in Appendix A of the presented report totalling £12,500).

1.7 The determination of the Council's budget is guided by the Council's Constitution. Whilst the Strategies & Resources Committee may advise Council concerning the budget, it is nevertheless the responsibility of Council to actually approve the General Fund and Capital budgets. In addition, the allocation of the Council's resources must be driven in such a way as to ensure that funds are directed towards the Council's corporate priorities.

1.8 It is, therefore, essential that we continue to set our annual budget within the context of a rolling four-year financial strategy. A longer term strategic view must be taken when decisions are made that have a financial impact beyond the annual budget as it enables us to assess the sustainability of such decisions.

2. BUDGET PREPARATION: PROGRESS TO DATE

- 2.1 Members accepted the Financial Strategy as a foundation document for the Council's budget setting process.
- 2.2 The Senior Management Team have carried out a robust process of challenging the base budget and questioning each of the financial pressures shown within the Financial Strategy.
- 2.3 The Senior Management Team is also monitoring the base budget spend continually, using the Council's budget monitoring reports.
- 2.4 The latest revenue budget monitoring report considered by the Strategies & Resources Committee on 24 January 2012, showed that revenue expenditure is predicted to be under-spent by £75,000 at the year end. This represents approximately 1% of the total net budget for the year of £7.8 million. The Gross Budget of the Council is over £28 million.

FORMULA GRANT FUNDING

- 2.5 Our Government Grant was reduced by 27% over the two years 2011/2012 and 2012/2013. In 2012/2013, our Government Grant reduces from £3.408 million (Adjusted figures) to £2.975 million – a reduction of £430,000. The current year freeze grant for 2010/2011 of £100,162 is now included within Formula Grant for 2012/2013 onwards.
- 2.6 We have not had any indication of the funding that may be available for 2013/2014 onwards. Formula Grant is likely to be replaced with Business Rates retention and New Homes Bonus. Therefore grant estimates based on those indicated in the Comprehensive Spending Review nationally have been included in the financial modelling. As more information becomes available as to how the new scheme will work, these estimates will be revised.

3. BUDGET PRESSURES AND OVERALL FINANCIAL FORECAST

- 3.1 Appendices A and B1 illustrate the financial impact of the budget pressures on the Council's financial position for the four years to 2015/2016. The main considerations included in the appendices are as follows:
- 3.2 **Price Inflation** – To be able to produce a meaningful resource plan, a number of assumptions have to be made regarding prices. Consumer Price Inflation (CPI) in December 2011 was 4.2%, down 0.6% on the November figure and this is the largest fall in inflation since December 2008. The Retail Price Index was 4.8%, down from 5.2% in November 2011. The Government has an annual target for inflation of the Consumer Prices Index of 2%.
- 3.3 **Inflation on the Waste, Street Cleaning and Public Conveniences Contract** – An estimate of 1.47% on £1.7 million (£25,000) has been included within Appendix A as a budget pressure. This is a reduction of £9,000 on the budget pressure highlighted in the previous budget report.

- 3.4 **Inflation on contracts, goods and services** – A budget pressure of £70,000 has been included within Appendix A to cover inflation in all service areas and including increases for rates, utilities and maintenance. This is a reduction of £10,000 on the previous budget report.
- 3.5 **Housing and Council Tax Benefit Administration Grant** – A budget pressure of a 5% reduction in the grant has been included in Appendix A, which totals £17,000 (the grant is £340,000 for 2011/2012).
- 3.6 **Pay Inflation** – The November 2011 Autumn statement suggested imposing a public sector pay cap of 1% at the end of the current three year pay freeze from 1 April 2013. The Government does not have direct control over local authority pay rates and it will be up to the employers and unions to negotiate a national pay award. In February 2011, the Local Government Employers announced they could not offer any pay offer for 2011/2012. For budgeting purposes, the Council has modelled a Nil pay offer for 2012/2013.

Some staff will go up to the next incremental grade within the year. A budget pressure of £25,000 has been added to Appendix A.

- 3.7 **Triennial Pension Revaluation** – The Council's Pension Fund is valued every three years by actuaries. A revaluation was undertaken in March 2010. Although the actuaries confirmed that employer contribution rates could stay broadly the same, they have given the Council a target amount for annual payments. A budget pressure of £40,000 a year has been built in so that the Council can remain on track with this target.
- 3.8 **Discretionary Budget bids** – Two bids have been received as below:-

Elector Fund aimed at supporting local projects – This is a bid to match fund Devon County Council's proposals to set up a discretionary fund aimed at supporting local projects. The aim is to support Devon's communities to achieve their ambitions and build resilience – with decisions about how it is spent being shaped by the views and the priorities of local communities. The money could be used to fund clusters of parishes working together on a shared issue. Devon County Council are committing £1 per elector to the fund and District Councils are being requested to match fund this initiative with 10 pence per elector. This would equate to approximately £5,000 for the Council.

Anti-Social Behaviour (ASB) Officer – This is a bid to fund the Anti-Social Behaviour (ASB) Officer which is joint-funded with South Hams District Council (SHDC). The post works 2.5 days for SHDC and 1.5 days for WDBC. The bid is for £7,500 (£20,000 total cost less £12,500 recharged to SHDC, to be approved). Although the Council has only been directly funding the post since 2009, the post has been in existence for a number of years. Funding streams via the Home Office and the Safer Devon Partnership have now ceased.

A significant amount of the officers' work is targeted at early intervention, working with other agencies in ensuring that early action is taken to prevent ASB

escalating within communities. This process has been very successful in reducing the amount of ASB that communities suffer. In the few cases that are not resolved informally, then the officer will apply for ASB Orders to be issued.

The officer will also play a key role in driving forward the Government ambitions in tackling families with complex needs, ensuring an effective multi-agency approach to tackling families who disrupt community life.

The workload for West Devon is illustrated below during 2010/2011.

Referrals	76
1 st Instance Letters	30
2 nd Instance Letters	6
Alcohol letters	39
Acceptable Behaviour Contracts	9
ASBO applications	2

There are a number of statutory requirements placed on the Community Safety Partnership (CSP) Members through the Police and Justice Act 2006.

4 BUDGET SAVINGS & INCOME GENERATION IDENTIFIED

- 4.1 A schedule of savings and potential income generation can be found in Appendix A. West Devon Borough Council is annually saving £600,000 from shared services with South Hams District Council.
- 4.2 **Senior Management Review** – In November 2010, the Chief Executive carried out a senior management review to rationalise the senior staffing structure and achieve efficiency savings. Two Corporate Directors and seven Heads of Service are now working across both Councils and the new team replaces four Corporate Directors and fifteen Heads of Service.
- 4.3 The total savings arising from the Senior Management Review for West Devon Borough Council and South Hams District Council is £437,000. West Devon Borough Council's share of these savings is £175,000. Changes to the base budget for salaries equate to £80,000 for 2012/2013, being the amount over and above the previous target set for 2011/2012.
- 4.4 **Middle Manager Review** – Following the Senior Management Review in the Spring 2011, a complete review of all of the middle management positions was undertaken by the Heads of Service. New operational structures were created and these have been in place since the 1st October 2011. A small number of posts within the new structures were no longer required and as a result West Devon Borough Council's share of the savings equate to £30,000.
- 4.5 It is intended to set a £50,000 target in 2012/2013 for future savings from shared services.
- 4.6 There is a £30,000 reduction on the budget for the revenue and benefits service due to a £20,000 saving on the Information Technology maintenance support

costs for Academy (the revenue and benefits software system). In addition, £10,000 of the £30,000 outreach budget can be offered as a saving.

- 4.7 At the Environment and Community Committee meeting on the 15th June 2010, a funding solution for the interim payment of £150,000 which resulted from the delay in the roll out of the waste contract was approved. A payback scheme is in place to replenish reserves from recycling credits achieved over 54% until the £150,000 is paid back (approved by Environment & Community Committee on 15th June 2010 and Council on 29th June 2010).

The Council is currently achieving a recycling rate of 62%. Each percentage equates to around £7,500. Therefore the Council could decide to increase the recycling credits income target in the base budget rather than replenishing reserves. This would have the effect of increasing recycling credits income by £60,000 in the base budget. It is recommended that this approach is taken to help meet the budget gap for 2012/2013.

4.8 **Income Streams Before Costs:**

The following table gives an indication of the level of Council generated income (other than Council Tax) that is currently supporting the budget. As is demonstrated below, the Council's income streams have been adversely affected by the economic downturn. However, due to the increased recycling credits, the overall projected income to be received in 2011/12 is £50,000 less than budgeted in total.

Significant Income Streams	Budget £	Projected Actual £	Projected Budget £
	2011/2012	2011/2012	2012/2013
Car Park Income	844,920	809,623	849,920
Recycling Credits	395,050	455,050	455,050
Taxis & Liquor Licensing	106,911	106,911	106,911
Investment Income	65,321	65,321	65,321
Planning Fees	301,113	226,113	301,113
Estate Management	157,525	157,525	157,525
Building Control Fees (part of the Building Control Partnership)	228,550	228,550	228,550
Total	2,099,390	2,049,093	2,164,390

5. **COUNCIL TAX IMPLICATIONS FOR 2012/2013**

- 5.1 On October 2011, the Government announced that it will use £805 million of central funding to extend the council tax freeze grant to 2012-2013.

- 5.2 A new grant scheme will be open to all billing and major precepting authorities, including police and fire authorities, which decide to freeze or reduce their council tax next year.
- 5.3 The Council agreed a nil increase in Council Tax for 2011/2012 (Band D of £192.15) and will receive £100,162 in council tax freeze grant. This current year freeze grant is now to be included in formula grant from 2012/2013 onwards.
- 5.4 If the Council were to freeze Council Tax levels for 2012/2013, the Council would be eligible for an additional council tax freeze grant of £101,623 for 2012/2013. This would be in addition to the council tax freeze grant of £100,162 which the Council will already receive for freezing council tax levels in 2011/2012.
- 5.5 The risk with taking advantage of the council tax freeze grant is that the Council will have less funding from council tax income for every subsequent year, due to not increasing the council tax in 2012/2013. As previously mentioned, a 1% increase in council tax equates to around £40,000 in council tax income for West Devon Borough Council.
- 5.6 An alternative would be to increase Council Tax by 2.5% to protect income in the longer term. The Band D Council Tax for West Devon Borough Council would be £196.95 for 2012/2013, an increase of £4.80 per year or 9 pence per week. The advantage of this approach would be that the Council's income from council tax would be permanently increased by 2.5%. The Council Tax Freeze Grant being offered by the Government only compensates the Council for loss of income from council tax for one year, so the Council would have to make up this shortfall of £101,623 when setting the subsequent year's Budget for 2013/2014. A comparison of Appendix B1 and B2 demonstrates the impact on the budget for future years either
- 1) if the Council raises Council Tax by 2.5% in 2012/2013 (Appendix B1)
 - or
 - 2) if the Council freezes Council Tax for 2012/2013 (Appendix B2).
- 5.7 The Localism Act has introduced the power for the Secretary of State to set principles each year under which council tax increases are determined as excessive. This can apply to West Devon Borough Council, Devon County Council, Fire, Police or Towns and Parishes (this will not apply to Town and Parishes in 2012/2013 as below). In all such cases, West Devon Borough Council has to make arrangements to hold a local referendum for residents. Costs can be recovered from the relevant precepting authority. For 2012/2013 the limits have been set at 3.5% for principal authorities such as West Devon Borough Council and 4% for Police and Fire. No equivalent limits have been set for Town and Parish Councils for 2012/2013, although they may in future years.
- 5.8 A 1% increase in council tax equates to around £40,000 in council tax income for West Devon Borough Council.

- 5.9 It should be noted that of the current council tax collected, West Devon Borough Council keeps just 12% or £3.70 per week for its services (per Band D property). This is illustrated below.

Precepting Authority	Band D Council Tax for 2011 – 2012 (£)
Devon County Council	1,116.36
West Devon Borough Council	192.15
Police	156.60
Fire	71.77
Average Town and Parish Council	47.26
TOTAL	1,584.14

- 5.10 The table below gives a brief outline of the council tax over the last few years and the year-on-year percentage increases.

	Band D council tax for WDBC, £	Percentage rise from previous year
2007/08	174.01	4.9%
2008/09	181.84	4.5%
2009/10	187.30	3.0%
2010/11	192.15	2.59%
2011/12	192.15	Nil

COUNCIL TAXBASE AND COUNCIL TAX SURPLUS CALCULATION

- 5.11 The Taxbase is the number of Band D Equivalent properties chargeable to council tax. This calculation is undertaken at 30 November each year. The Taxbase for West Devon Borough Council has now been confirmed at £21,019.39. This figure is multiplied by the Band D council tax of £192.15 to provide an estimate of the council tax income to be achieved for 2012/2013. The estimate of council tax income is £4,038,876. This will produce slightly less income (£5,882) than we predicted in the previous budget update report.
- 5.12 Any increase in taxbase is taken into account in the government grant settlement each year. The Council Tax Surplus calculation is the amount of council tax that has been collected over the target of 98%. Each major precepting authority receives a share of this income back. An initial estimate of £50,000 had been included in previous budget reports, but this is now confirmed at a level of £114,000. This will drop back down again to levels around £50,000 in future years.

6. BALANCING THE BUDGET

- 6.1 **Overall position** – Appendix B1 illustrates the overall financial forecast for the forthcoming four years based on a 2.5% council tax increase for 2012/2013. Although the Council's net budget is in the region of £7.8 million, the Gross expenditure of the Council is around £28 million.
- 6.2 Through a series of informal and formal Committee meetings and with Members and Officers working closely together, the following position has been reached to date. A summary forecast is shown below of the potential budget situation if all of

the financial pressures in Appendix A were approved and the savings and income generation in Appendix A were realised.

	Amount (£)
Net Base Budget for 2011-12	7,788,503
Add financial pressures as per Appendix A	197,500
Add Discretionary Bids as per Appendix A	12,500
Less savings and income generation – as per Appendix A	(469,398)
Total Net Base Budget for 2012/13 (A)	7,529,105

The sensitivity analysis shown in Appendix B1 shows how changes in spending decisions equate to a level of council tax, with a £40,389 variance amounting to 1% change in council tax.

6.3 The funding available, **including a 2.5% increase in Council Tax for 2012/2013** is as follows:-

Funding available:	Amount (£)
Government Grant (Revenue Support Grant and Business Rates)	 3,074,762
Collection Fund Surplus	114,574
Income from Council Tax Includes a 2.5% increase in council tax for 2012/2013 (The Band D Council Tax for West Devon Borough Council would be £196.95 for 2012-13, an increase of £4.80 per year or 9 pence per week)	 4,139,769
Sub – Total Net Budget Requirement (total of the above)	 7,329,105
Funding from New Homes Bonus (see section 7.4)	200,000
Total funding available for 2012/2013 (B)	7,529,105
CURRENT BUDGET GAP (A – B)	Nil
This would equate to a balanced budget	

7. OTHER BUDGET CONSIDERATIONS

7.1 **New Homes Bonus Scheme** – This grant was introduced in 2011/2012 and provides incentives for local authorities and local communities to be supportive of housing growth. The key elements are as follows:-

- The Government will match fund the council tax raised on each new home
- Bonus is payable for a six year period
- National average council tax bands will be used to calculate the bonus
- Band D home would attract an annual bonus of £1,439 per home
- Additional payment of £350 per year for affordable homes
- Bonus to be funded through Formula Grant
- In two tier areas 80% will be paid to Districts and 20% paid to Counties
- Bonus grant will not be ring fenced so can be spent on anything

7.2 The Council's allocation for 2011/2012 was £323,920 and the allocation for 2012/2013 is £892,542. These are the confirmed figures to date.

	2011-12 (£)	2012-13 (£)	2013-14 (£)	2014-15 (£)	2015-16 (£)	2016-17 (£)	2017-18 (£)
Year 1	323,920	323,920	323,920	323,920	323,920	323,920	
Year 2		568,622	568,622	568,622	568,622	568,622	568,622
TOTAL per year	323,920	892,542	892,542	892,542	892,542	892,542	568,622

7.3 A bonus is payable for a six year period and therefore West Devon Borough Council received £323,920 in year one and will receive at least £892,542 for the next five years. The Council will receive a further payment in 2013/2014, in addition to the £892,542 shown, which will be linked to the increase in the number of new homes between October 2011 and October 2012. This happens in each subsequent year. The grant is cumulative and a bonus is payable for a six year period. As stated in 2.6, Formula Grant is likely to be replaced with business rates retention and new homes bonus from 2013/2014 onwards.

7.4 Proposed Allocation of the New Homes Bonus (NHB) for 2012/2013

Total Allocation for 2012/2013	£892,542
Funding the 2012/13 Revenue Base Budget of the Council	£200,000
To use to fund the Capital Programme for 2012/2013 (This is mainly funding Disabled Facilities Grants, Private Sector Renewal Grants and Affordable Housing capital projects as per the report on the Capital Programme on this agenda)	£600,000
Provision for a share of the NHB for the Dartmoor National Park Authority	£40,250
Unallocated amount remaining	£52,292

As part of the budget setting process for 2011/2012, the Council committed to use £150,000 of the New Homes Bonus grant to fund the revenue base budget of the Council for 2011/2012. This decision was taken in view of the level of formula grant reductions suffered by the Council in 2011/2012, due to the front-loading of grant reductions.

- 7.5 As part of the Budget Setting Process for 2012/2013, Members will need to consider how this money should be used in the future. It is recommended that £200,000 of New Homes Bonus is used to fund the Revenue Base Budget for 2012/2013.
- 7.6 The Council has very little remaining capital resources and this New Homes Bonus Scheme may provide a partial funding solution for the capital programme in the longer term, in particular for Disabled Facilities Grants and Private Sector Renewal Grants.
- 7.7 Further reports regarding the Capital Programme for 2012/2013 are also included in this agenda. There is a separate recommendation on the Capital Programme 2012/2013 report to use £600,000 of New Homes Bonus to fund the Capital Programme.

8. EARMARKED AND UNEARMARKED RESERVES

- 8.1 **Specific Earmarked Reserves** - The level and commitments for each reserve are kept under review each year to make sure the uncommitted balance is adequate for its purpose. A schedule of Earmarked Reserves is attached as Appendix C which includes comments on their proposed use.
- 8.2 **Unearmarked Revenue Reserve** – The guidance from the Audit Commission suggests that the general fund balance should be between 5% and 10% of net operating expenditure. The Council's net operating expenditure is £7,788,503 for 2011/2012 so this would be in the region of £390,000 to £780,000. Therefore the Council is still within a prudent level of reserves. The Council's policy should be to set a minimum level of unearmarked revenue reserves of £700,000.
- 8.3 The uncommitted Unearmarked Revenue Reserve balance at 31st March 2012 is estimated to be around **£948,000** as below.

	£
Unearmarked revenue reserves at 1st April 2011	833,000
Less: Provision for improvements to Broadband in West Devon As approved by Council	(20,000)
Add: Predicted revenue budget underspend for 2011-12	75,000
Add: Recycling credits generated in 2011-12 replenishing reserves	60,000
Forecast level of unearmarked reserves	948,000

- 8.4 Our financial strategy recognises the need to maintain Unearmarked 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 £700,000 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
- The level of investment income used to support council tax arising from our reserves
- Uncertainty over future Government grant

8.5 The Council can take comfort that our predicted Unearmarked Revenue Reserves of £948,000 stand above the minimum balance set of £700,000. They act as a safeguard should any of our specific reserves prove too low.

9. ROBUSTNESS OF ESTIMATES AND THE ADEQUACY OF RESERVES

9.1 Under Section 25 of the Local Government Act 2003, the Head of Finance (the Chief Finance Officer) is required to report to Council on the following matters:

- The robustness of the estimates made for the purpose of the budget calculations, and
- The adequacy of the proposed financial reserves.

9.2 The Council's budget is based on a number of assumptions including inflation, UK interest rates and income from Government grants. The risks presented by these factors are managed by:

- Seeking advice from the Council's Treasury Management consultants and reviewing the forecasts from the Bank of England
- Developing cost estimates with Heads of Service and other providers on a prudent basis, making use of professional data sources where possible
- Carrying out a circular process of service planning, medium term planning and budget setting whereby each stage refines the information from the previous stage
- Reviewing the sustainability of plans over the medium term including an assessment of the impact of interest rate movements on affordability, a review of the potential for increases in service demand or new services and by assessing the revenue impact of capital investment

- The adoption of robust financial management arrangements including the 'buddy system', Finance Rules of Procedure, option appraisal, risk assessment and budget monitoring information reports to Members and continuous performance monitoring (with review of key assumptions).

9.3 The preparation of the budget for 2012/13 has been based on a detailed assessment of the risks associated with each budget and the targets and objectives included within the Council's Corporate Plan.

- 9.4 Appendix E sets out the detailed risk assessment which has been undertaken on the level of unearmarked revenue reserves. This shows that it is still appropriate to maintain a minimum level of £0.7 million (10%) of net expenditure in unearmarked revenue reserves. The availability of general balances to meet any unforeseen liabilities and provide flexibility during a period of change is a key element of prudent financial management.
- 9.5 In addition to unearmarked revenue reserves, the Council also holds earmarked reserves for specific purposes. The level of earmarked reserves is shown in Appendix C and is predicted to be £719,000 at 1st April 2012. These earmarked reserves have been reviewed as part of the budget setting process.
- 9.6 The level of unearmarked revenue reserves and earmarked reserves are judged to be appropriate in the context of the Council's overall Financial Strategy. The Council has in place a risk management strategy and a system of internal control.
- 9.7 Of particular importance in this context is the Council's budget monitoring policy. It ensures that regular budget monitoring is carried out and that budget monitoring experience in 2011/2012 provides an indication of the pressures facing the Council in 2012/2013. The Council has a good record in terms of identifying budget pressures and taking remedial action.
- 9.8 These existing systems, controls and procedures provide a firm foundation from which the need for reserves and balances can be calculated within a reasonable level of confidence.
- 9.9 It is the view of the Head of Finance that the budget proposed for 2012/2013 represents a sound and achievable financial plan for 2012/2013. The total level of reserves and balances has been based on a comprehensive risk assessment shown in Appendix E and is judged adequate to meet all reasonable forecasts of future liabilities.

10. LOOKING FORWARD TO 2013/2014

- 10.1 Each year the preparation of annual budgets becomes more challenging than before. Appendix B1 shows a budget gap of at least £397,417 for 2013/2014 (if a council tax increase of 2.5% is set in 2012/2013 and a nil increase in council tax is modelled thereafter). However, if the Council freezes Council Tax (as demonstrated in Appendix B2), the budget gap increases to £499,345, an increase of £101,928.

11. SUMMARY, NEXT STEPS AND CONCLUSION

- 11.1 **Benchmarking comparisons** – As in previous years, we will continue to make broad comparisons of our expenditure with similar authorities. This will enable us to investigate whether expenditure is reasonable and in accordance with corporate priorities, raising questions where necessary.
- 11.2 **Consultation** – We have consulted with all stakeholders including town and parish councils, the business community and the general public on expenditure priorities.

- 11.3 **Public Event** – We have held two public events one in Tavistock (28th November 2011) and one in Okehampton (5th January 2012) to involve our communities and residents as part of the budget setting consultation process.
- 11.4 **Online Survey** – The Council also had an on-line website survey on the Budget available since the end of November.
- 11.5 **Business Voice Event – Monday 9th January 2012 at 6.30pm** – A Business Voice event was held in January to consult with businesses on the Council's budget.
- 11.6 The feedback from all of these events is attached at Appendix D. We will send the results back to residents who attended the meetings and include this on our website and in the next edition of the Council magazine.
- 11.7 **Partnerships** – It is important that financial performance of significant partnerships is regularly reviewed, linked to outputs and the results shared with partners and acted upon. Each Year in March, the Overview & Scrutiny Committee receive a report detailing the latest position for our significant partnerships.
- 11.8 **Financial Strategy assumptions** – These will be kept under review over the coming months and any new information will be amended in the forecast.

11.9 **Budget Timetable** - A timetable is set out below for the budget setting process:-

Date	Committee	Action
March 2011		Service Plans are compiled with targets and PI's
5 July 2011	S & R	Setting of the financial strategy – 'painting the picture' - Decide the strategic approach to the budget
26 July 2011	Audit	Confirmation of previous year's outturn and variances – consideration of the unaudited Final Accounts for 2010/2011
15 November 2011	S & R	Budget Update report
<i>November - January</i>		<i>Consultation exercise on the budget</i>
December		The Government will confirm the provisional grant allocation for 2012/2013
24 January 2012	S & R	To consider the progress of the Capital and Revenue Budget Setting process for 2012/2013 and future years.
9 February 2012		<i>Date which Council Procedure Rule 16 applies (see explanation below in 11.10)</i>
14 February 2012	Council	To agree the Revenue and Capital Budgets for 2012/13 onwards and the consequential level of Council Tax proposed for adoption on 23 February
23 February 2012	Council	To agree the Council Tax for 2012/2013

11.10 Council Procedure Rule 16 states that "Where a Member intends to move a motion or amendment in relation to the Budget, the text of that motion or amendment must be put in writing and submitted to the Chief Executive by 9.00 am on the third working day before the meeting in order that officers may have sufficient time to consider and advise the Council of the financial implications of any such motion or amendment." As per the timetable above, this would need to be submitted by 9.00 am on 9th February 2012.

11.11 There is a legal requirement for the Council to have formally approved the Council Tax by the 11th March 2012.

12 STRATEGY LOOKING AHEAD

12.1 Appendices B1 & B2 clearly demonstrate that a combination of reducing government funding together with other financial pressures results in a budget that is not sustainable. We should be implementing a budget strategy that seeks to balance the budget over the longer term period. This strategy will include:

- Shared services with South Hams District Council
- Other efficiency savings
- Partner working with other organisations
- Rationalising asset use
- Reviews of service provision to identify new ways of working
- Seeking new income opportunities

13. LEGAL IMPLICATIONS

13.1 Council is responsible for approving the policy framework and budget within which its Committees operate. It is also responsible for approving and monitoring compliance with the Council's overall framework of accountability and control, which includes these Financial Procedure Rules.

14. FINANCIAL IMPLICATIONS

14.1 This report shows how a balanced budget for 2012/2013 could be achieved as set out in Section 6 of the report.

15. RISK MANAGEMENT

Opportunity	Benefits
<p>The Council sets adequate budgets to provide services that meet Council priorities.</p> <p>The Council provides value for money services within budgets.</p>	<p>The Budget is compiled in accordance with best practice guidelines issued by CIPFA and the Government. The final budget report includes an assessment from the Section 151 Officer on the adequacy of the Council's reserves and the robustness of the estimates made for the purpose the budget calculations. The budget process is laid down in the Council's Constitution. Strategies & Resources Committee and Council meetings are timetabled to meet the Statutory deadlines for setting the Council Tax.</p> <p>The Council prepares a Financial Strategy covering a four year period. The strategy provides a framework within which decisions can be made regarding future service provision and council tax levels.</p>
Issues/Obstacles/Threats	Control measures/mitigation
<p>Failure of Council to set lawful budget.</p>	<p>The Council must set the Council Tax by 11 March 2012. The timetable for the budget</p>

Failing to target budgets to service priorities.	setting process takes this into account and allows sufficient time for the significant amount of work involved. All budget bids and reductions include a section on their impact on council priorities and a risk assessment. The budget is subjected to consultation with all Members, the public and the business community.
Failure to maintain a comprehensive budgetary control review system. Including monitoring of material items of income and expenditure.	Adequate levels of appropriately trained staff. Thorough planning and quarterly monitoring of performance to management and the Strategies & Resources Committee.
Reducing level of Government grant	The Council prepares a Financial Strategy covering a four year period. The strategy provides a framework within which decisions can be made regarding future service provision and council tax levels.

16. OTHER CONSIDERATIONS

Corporate priorities engaged:	All
Statutory powers:	Local Government Act 1972, Section 151
Considerations of equality and human rights:	A 360 degree assessment has been conducted and has shown no negative impact. This document is available upon request.
Biodiversity considerations:	None directly related to this report.
Sustainability considerations:	None directly related to this report.
Crime and disorder implications:	None directly related to this report.
Background papers:	Strategies & Resources Committee:– 5 July 2011 – Financial Strategy 2012/13 to 2015/16 15 November 2011–Revenue Budget Update for 2012-13 24 January 2012 – Revenue Budget for 2012-13
Appendices attached:	Appendix A – Budget Pressures and Savings Identified Appendix B1 & B2 - Modelling of the Financial Strategy Appendix C – Schedule of Earmarked Reserves Appendix D – Budget Consultation responses Appendix E – Financial Risk Assessment Appendix F – Committee Summary

BUDGET PRESSURES AND SAVINGS

APPENDIX A

WEST DEVON BOROUGH COUNCIL

BUDGET PRESSURES

	Yr1 2012/13 £	Yr2 2013/14 £	Yr3 2014/15 £	Yr4 2015/16 £
Inflation on the waste collection, recycling and cleansing contract (estimate) (see 3.3)	25,000	35,000	35,000	36,000
Inflation on goods and services - (see 3.4)	70,000	70,000	70,000	70,000
Reduction in Housing Benefit administration subsidy (see 3.5)	17,000	17,000	16,000	16,000
Pay inflation - increments only (see 3.6)	25,000	25,000	25,000	25,000
Actuarial strain payments (see 3.7)	40,000			
Aggregated small budget pressures	20,500	40,000	40,000	40,000
TOTAL IDENTIFIED BUDGET PRESSURES	197,500	187,000	186,000	187,000

DISCRETIONARY BIDS

Anti-Social Behaviour Officer (see 3.8)	7,500			
To match fund Devon County Councils proposals of a £1 per elector fund, with 10 pence per elector from the Borough Council (see 3.8)	5,000	0	0	0
TOTAL DISCRETIONARY BIDS	12,500	0	0	0

SAVINGS AND INCOME GENERATION IDENTIFIED

Savings from the Senior Management Review (base salary savings - see 4.2)	80,000	0	0	0
Increase recycling credits target (see 4.7)	60,000			
Savings from Waste Management (further certainty of contract costs)	50,000	0	0	0
Shared Services Savings target (see 4.5)	50,000			
Increased investment income (based on 0.5% interest rate increase per year)	0	30,000	30,000	30,000
Savings from the Insurance contract	30,000	0	0	0
Savings from the Middle Manager Review (see 4.4)	30,000			
Savings from Revenues and Benefits (see 4.6)	30,000			
Savings from IT contracts and salary savings	40,000	0	0	0
Removal of the Contingency Budget	23,000	0	0	0
Savings from the Leisure Contract from the administrative set-up costs	20,000	0	0	0
Savings on audit fees	10,000			
Savings from Government Connect	7,500	0	0	0
Car parking - projected increased season ticket sales (as per report to Environment & Community Committee on 17 January 2012)	5,000			
Aggregated small savings	33,898	0	0	0
TOTAL	469,398	30,000	30,000	30,000

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Modelling a 2.5% Increase in Council Tax for 2012-13					
	Base 2011/12 £	Yr1 2012/13 £	Yr2 2013/14 £	Yr3 2014/15 £	Yr4 2015/16 £
1 Base budget brought forward (line 6)	7,788,503	7,788,503	7,529,105	7,288,688	7,127,912
2 Budget pressures (as per Appendix A)		197,500	187,000	186,000	187,000
3 Discretionary Bids (as per Appendix A)		12,500			
4 Savings and Income generation already identified (as per Appendix A)		469,398	30,000	30,000	30,000
5 Projected Net Expenditure:	7,788,503	7,529,105	7,686,105	7,444,688	7,284,912
Government Formula Grant (7% reduction in grant modelled for 2013/14 onwards)	3,429,597	3,074,762	2,859,529	2,659,362	2,473,206
Council Tax income (assumes a 2.5% increase for 2012-13 and a Nil annual increase thereafter for modelling purposes only, and a 200 Band D Equivalent increase in taxbase in future years)	4,006,481	4,139,769	4,179,159	4,218,549	4,257,939
Council Tax Freeze Grant for freezing council tax in 2011/2012 - included within the Formula Grant from 2012/13 onwards	100,162	0	0	0	0
Collection Fund surplus	52,263	114,574	50,000	50,000	50,000
Funding from Earmarked Reserves	50,000				
Funding from New Homes Bonus (see 7.2)	150,000	200,000	200,000	200,000	200,000
6 Total Projected Income	7,788,503	7,529,105	7,288,688	7,127,912	6,981,145
7 Budget gap per year (line 5 - line 6)	0	0	397,417	316,776	303,767

Note - Figures shown in 2013/14, 2014/15 and 2015/16 are estimates

Sensitivity Analysis

Changes in spending decisions have the following percentage change on council tax.

1.00%	£40,389
1.50%	£60,584
2.00%	£80,778
2.50%	£100,973
3.00%	£121,167
3.50%	£141,362
4.00%	£161,556
5.00%	£201,945

Note. Any approved increase in Council Tax for 2013-14 onwards would reduce the budget gap shown by the amount shown in the sensitivity analysis above eg a 2.5% increase would reduce the budget gap by £100,973

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Modelling freezing Council Tax for 2012-13	Base 2011/12 £	Yr1 2012/13 £	Yr2 2013/14 £	Yr3 2014/15 £	Yr4 2015/16 £
1 Base budget brought forward (line 6)	7,788,503	7,788,503	7,529,105	7,186,760	7,025,024
2 Budget pressures (as per Appendix A)		197,500	187,000	186,000	187,000
3 Discretionary Bids (as per Appendix A)		12,500			
4 Savings and Income generation already identified (as per Appendix A)		469,398	30,000	30,000	30,000
5 Projected Net Expenditure:	7,788,503	7,529,105	7,686,105	7,342,760	7,182,024
Government Formula Grant (7% reduction in grant modelled for 2013/14 onwards)	3,429,597	3,074,762	2,859,529	2,659,362	2,473,206
Council Tax income (assumes a Nil annual increase for 2012-13 and a Nil annual increase from 2013-14 for modelling purposes only, and a 200 Band D Equivalent increase in taxbase in future years)	4,006,481	4,038,876	4,077,231	4,115,661	4,154,091
Council Tax Freeze Grant for freezing council tax in 2011/2012 - included within the Formula Grant from 2012/13 onwards	100,162	0	0	0	0
Income from the Council Tax Freeze Grant for freezing council tax in 2012/13		101,623			
Collection Fund surplus	52,263	113,844	50,000	50,000	50,000
Funding from Earmarked Reserves	50,000				
Funding from New Homes Bonus (see 7.2)	150,000	200,000	200,000	200,000	200,000
6 Total Projected Income	7,788,503	7,529,105	7,186,760	7,025,024	6,877,297
7 Budget gap per year (line 5 - line 6)	0	0	499,345	317,736	304,727

Note - Figures shown in 2013/14, 2014/15 and 2015/16 are estimates

Sensitivity Analysis

Changes in spending decisions have the following percentage change on council tax.

1.00%	£40,389
1.50%	£60,584
2.00%	£80,778
2.50%	£100,973
3.00%	£121,167
3.50%	£141,362
4.00%	£161,556
5.00%	£201,945

Note. Any approved increase in Council Tax for 2013-14 onwards would reduce the budget gap shown by the amount shown in the sensitivity analysis above eg a 2.5% increase would reduce the budget gap by £100,973

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Reserve	Purpose	At 1/4/2012
		£000's
Car Parking Maintenance	Car Parking planned maintenance and repairs (Somerfield and Bedford re-surfacing plus other minor works)	182
Planning Delivery Grant	As per the Future Planning & Housing Committee on 8 March 2011, Earmarked for Masterplanning and Retail Studies	94
Local Authority Business Growth Incentives Grant	As per the Strategies & Resources Committee on 21 September 2010, £70,000 is earmarked for Phase 2 funding of the Tamar Valley Mining Heritage Project	83
Actuarial Strain	Actuarial strain payments	69
Habitats earmarked reserve	To cover costs in relation to Habitats	50
Waste Management Depot	To meet general repair work and contract requirements	40
Planning Delivery Grant (ICT element)	Government grant towards expenditure to be incurred in respect of the planning function (capital element of the grant - being used for ICT i.e. the MVM project)	41
Revenues and Benefits	To fund specific development projects within the Revenues and Benefits service	30
Contingency Fund	To meet costs of repairs and maintenance items	20
Elections	Funding for the Borough Elections in May 2011	20
Grounds Maintenance	To fund specific grounds maintenance works	20
Total of other small reserves	Various small reserves (less than £20,000)	70
TOTAL		719

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BUDGET CONSULTATION RESPONSES

1. Introduction

The Council was facing a budget shortfall of over £400,000 for 2012-2013 and wanted the public to be more involved in shaping where the Council spent their limited resources in the local area.

2. Online Survey

An online survey was developed and launched in November and closed on 13 January 2012. The Tavistock and Okehampton Times mentioned the survey several times and gave the website link in each case. The survey was actively promoted at Link Committee meetings and through the Council's Outreach sessions within local towns and villages. There was an article in the Council's Connect magazine, which was delivered to all households in November.

109 entries were made to the survey and most of the surveys were completed by residents of West Devon (72.5%). The responses will help inform the budget process for both 2012/13 and in the medium term for 2013/14 onwards, as well as help inform other Council initiatives and consultation projects.

The survey asked respondents to indicate whether they would reduce, maintain or increase the budget for these services. The answers to these survey questions are provided below in table format and a rank position has been provided based on peoples' decision to reduce the budget for the service. Services with a lower number rank had a lower percentage of people selecting them for service reductions.

For example for Children & Young People, 69% said they would like to maintain this service, with only 15% saying they would like to see a reduction in this area.

Therefore there was strong support for services such as Children & Young People, Economic Regeneration Grants, Emergency Planning, Building Regulations and Housing Advice & Homelessness being maintained at existing levels (these are the first 5 on the list overleaf).

For Democratic Services, 91% said they would like to see a reduction in this service and ranked as number 32 (The service people would most like to see a reduction in). Similarly, people would like to see a reduction in support services such as ICT, Personnel, Audit, Post & Printing and Corporate Management, as well as a reduction in some discretionary services such as Arts Grants and some statutory services such as the electoral register & elections.

BUDGET CONSULTATION RESPONSES

Service:	Type *	Rank	Reduce %	Maintain %	Increase %
Children & Young People	Discretionary	1	15	69	16
Economic Regeneration Grants	Discretionary	2	18	65	17
Emergency Planning	Discretionary	3	20	78	1
Building Regulations	Statutory	4	21	78	1
Housing Advice & Homelessness	Statutory	4	21	73	6
Ring & Ride Scheme	Discretionary	5	22	70	8
Public Toilets	Discretionary	5	22	67	11
Waste & Recycling	Statutory	6	23	73	5
Engineering & Drainage	Statutory	7	24	70	6
Clean Streets	Statutory	7	24	73	2
Leisure	Discretionary	8	27	69	4
Insurance	Support	9	28	72	0
Economic Development	Discretionary	10	29	60	11
Voluntary Sector Grants	Discretionary	11	30	69	1
Tourism	Discretionary	12	31	63	6
Planning Applications	Statutory	12	31	69	0
Parks & Open Spaces	Discretionary	13	32	64	4
Environmental Health	Statutory	13	32	66	2
Housing Benefit Administration	Statutory	14	35	62	2
Crime Reduction	Discretionary	15	38	57	5
Sports Development	Discretionary	16	41	51	8
Council Tax & Business Rate Collection	Statutory	17	43	56	1
Property Searches	Statutory	18	47	52	1
Employment Legislation	Support	19	49	51	0
Planning Policy	Statutory	19	49	49	1
Property Services	Support	20	50	49	1
Housing Enabling	Discretionary	21	51	44	4
Communications	Support	22	54	41	5
Legal	Support	22	54	46	0
Finance	Support	23	55	42	2
Private Sector Housing	Statutory	24	56	39	5
Customer Services	Support	25	57	43	0
ICT	Support	26	61	37	3
Personnel Support	Support	26	61	40	0
Arts Grants	Discretionary	27	63	36	1
Electoral Register & Elections	Statutory	28	66	35	0
External & Internal Audit	Statutory	29	69	31	0
Post & Printing	Support	30	77	23	0
Corporate Management	Support	31	88	12	0
Democratic Services	Support	32	91	10	0

BUDGET CONSULTATION RESPONSES

Council Tax

In the on-line survey, 58% of people indicated in their responses that they would not be prepared to pay more for council tax and 42% said they would be prepared to pay more to protect some local services. 30% of people taking part in the survey skipped the question completely.

When asked how much extra they would be prepared to see council tax rise, 24% of people suggested that a 1% increase would be acceptable, 29% suggested a 1.5% increase would be acceptable, 38% suggested a 2% increase would be acceptable and 9% suggested a 3% increase would be acceptable.

At the public events, nine participants said they would be prepared to see council tax rise by between 2% and 3%. Three participants said they would not like to see a rise in council tax.

How the Council runs things and provides value for money

78% of people were very or fairly satisfied with the way the Council runs things and 9% were fairly or very dissatisfied (with 13% neither satisfied or dissatisfied).

58% of people strongly agreed or agreed that the Council provided value for money. 16% disagreed or strongly disagreed with this statement, with 26% neither agreeing or disagreeing.

General Comments

People were asked if they had any comments on how the Council could improve its services. Common themes from the feedback received have been summarised below and grouped in the table below with the appropriate management response.

3. Public Consultation Events

The Council held two public consultation events, one in Tavistock on the 28th November 2011 and one in Okehampton on the 5th January 2012. The events were largely interactive and one of the later workshop sessions was an exercise to close the £400,000 budget gap. There were three tables at each event and each table had a budget board with the net cost of all council services and people were asked to indicate where they would reduce or increase service provision to bridge the £400,000 gap.

Commonly recurring themes within all of the group budget reduction sessions included a reduction in Support Services or administration charges (External Audit and Internal Audit or Council Tax and Business Rate Collection) with the highest proportion of the suggested savings to be identified from ICT. There was also support for a reduction in Democratic Services which ranged from £17,050 to £100,000. Other common service areas identified for a budget reduction were Waste and Recycling, Property services, Culture, Tourism and Leisure, Housing Enabling and Public Toilets. Attached is a summary (Table A) of the comments that were received from the Public Events and the Budget Survey. The table shows how the Council will take those comments forward and address these issues in the future.

BUDGET CONSULTATION RESPONSES

Table A – Consultation Responses

Feedback received	Council Response
Arts Costs – Reduce the ‘nice to haves’	<p>The Arts Officer supports a lot of local arts initiatives and provides a channel of access to external grants and other forms of support and funding for local organisations and small businesses.</p> <p>The Council is currently undertaking a review of the Economic Development service and this area of work is currently being considered as part of the wider review. Consultation has been undertaken, particularly with the business community and this is now being used to consider service options. It is envisaged that a formal decision will be taken Spring/Summer 2012.</p>
Assets – Look at pump priming assets and challenging retention of some assets	<p>The Council is undertaking a strategic review of assets across both West Devon Borough Council and South Hams District Council, to ensure our property assets are best used to support the Councils’ aims, priorities and targets.</p> <p>The comprehensive review will look at each asset class in both Councils’ portfolio and undertake a locality based assessment challenging the retention of each individual asset. The review will deliver cashable benefits but will also consider cross cutting initiatives around co-location with partners and asset transfers to deliver wider non cashable benefits. This is a project within our Transformation Programme 2015.</p>
Audit costs – Why is this needed? Costs should be able to be reduced	<p>The Audit Commission is responsible for appointing the Council’s External Auditors and for setting the scale of fees payable by local authorities. The Council has to have a statutory audit of its finances and accounts each year. New auditor appointments are being made for 2012/2013 and the Commission Board are outsourcing the work currently being undertaken by the Audit Commission’s in-house audit practice. It is hoped that audit fees will reduce as a result of this work being nationally re-tendered.</p>

BUDGET CONSULTATION RESPONSES

Table A – Consultation Responses

Feedback received	Council Response
Car Parking Tariffs – A review of car parking tariffs	A report is on the agenda for the Environment & Community Committee on 17 January 2012 which recommends a freeze on car parking charges for 2012/2013 and a move away from the RPI linked bi-annual tariff increases. The report also recommends a return to 2007/08 prices for season tickets – it is hoped that the reduction in prices will be welcomed by daily/regular car park users who will benefit from reduced annual car parking charges.
Democratic Services – Reduce expenditure in this area Can Council meetings be seen via a webcam?	In 2011/12, Councillors' Allowances were frozen at the 2010/11 level. The Council are currently reviewing the Committee structure with a view to reducing the number of Committees. We will look into Council meetings being able to be viewed over a webcam.
Economic Development – Would like to see more investment in this area	The Council is currently undertaking a review of this service. Consultation has been undertaken, particularly with the business community and this is now being used to consider service options. It is envisaged that a formal decision will be taken Spring/Summer 2012.
Green Energy – Would like to see the Council optimise these opportunities on Council owned assets	The Council's building at Kilworthy Park has many sustainable and energy efficient features such as photovoltaic cells and the use of stored rainwater. Similarly the Council's Okehampton Business Centre won an award for its high degree of environmentally friendly design and renewable energy features such as a wind turbine. There is a Strategic Asset Review project on the Transformation 2015 Programme to look at the combined use of the assets of West Devon and South Hams which will look at further opportunities.

BUDGET CONSULTATION RESPONSES

Table A – Consultation Responses

Feedback received	Council Response
Housing Benefits – more investment in this area	The Council has a shared service with South Hams District Council and is currently in the process of harmonising software systems, which will give much more resiliency and flexibility to deal with peaks in work load and cover for sickness or vacancies.
ICT – Reduce expenditure in this area	A £40,000 budget reduction has been built into the budget for 2012-13 relating to reduced salary costs and savings from contracts being re-negotiated. As the shared ICT service develops further we expect to realise more savings in this area due to the joint procurement of hardware and software.
Planning – generate more from planning fee income	Emerging Government legislation may allow us to recharge higher planning fees to better reflect the cost of the service.
Public Conveniences – transfer these assets and reduce their cost	The Council owns 13 public conveniences and the current cost is £140,000. One of the projects within the Council's 2015 Transformation Programme is the Devolved Services model. This will develop a comprehensive and effective method to allow Parish and Town Councils and potentially community organisations to take on delivery of services and/or the ownership and/or management of facilities where appropriate and where it is to the benefit of our communities. For example, the Council will explore the idea of devolved services for public conveniences, along with other suitable services in a locality.
Street Cleaning – would like to see the Council being firmer on individuals regarding litter offences	West Devon Borough Councillors will be considering a report on litter enforcement during the next Committee cycle (April 2012). Shared services with South Hams District Council will bring the benefit of some expertise in this area.

BUDGET CONSULTATION RESPONSES

Table A – Consultation Responses

Feedback received	Council Response
Shared Services - look at extending shared services to other partners	In the Council's 'Shared Services and Beyond' document, which was considered by the Strategies & Resources Committee in January 2011, it was recognised that we would look at greater integration of staff across both West Devon Borough Council and South Hams District Council. The document also sets out that for any propositions that come forward for sharing services beyond the two Councils, we would need to carefully consider the potential costs and benefits. We will be receptive to any such offers, provided there is a strong business case to support further sharing.
Second Homes Council Tax – Increase the amount charged to second homes council taxpayers	The Government is currently consulting on this issue with a view to changing the legislation to come into effect from 2013/14. The new legislation would allow Councils to remove the 10% discount on council tax bills for second homes. Any proposed removal of the 10% discount would apply to over 500 second homes in the West Devon Borough. Removing the discount would give a potential council tax income of around £84,300 of which just 12% (£10,100) would be retained by West Devon Borough Council. The majority would go to Devon County Council whose charge represents 71% of the average Council Tax bill.
Senior Management Review – reduce senior level staff	The Council has already carried out a review of its senior management team in March 2011. This has led to a reduction in senior managers, saving £175,000 per year.
Travel – reduce travel costs	The Council has two Transformation 2015 Programme projects to look at Agile and Mobile working which will reduce the travel costs. Video conferencing facilities are in use and are actively promoted for staff use to avoid travel costs.

BUDGET CONSULTATION RESPONSES

Table A – Consultation Responses

Feedback received	Council Response
Trade Waste – would like to see the Council provide a trade waste service	Future opportunities for providing a Trade waste service in West Devon will be explored by officers with both South Hams District Council and our current contractor, during the next financial year.
Website – an area felt needed to be improved	There is a joint Transformation 2015 project with South Hams to replace the Council's website. The project will provide a site that is easier to navigate and search as well as having up to date and accurate information. There will be an increase in the level of transactional services currently provided, the ability to exploit additional web channels, increased integration with back office services, use of modern technologies such as social networking and the addition of micro sites available for community use.

BUDGET CONSULTATION RESPONSES

Table B - Meeting the Budget Challenge 2012-13 Public Events

		Okehampton Group 1	Okehampton Group 2	Okehampton Group 3	Tavistock Group 1	Tavistock Group 2	Tavistock Group 3
		£	£	£	£	£	£
Service:	Type						
Planning & Building Regs	Statutory		(26,250)	(50,000)	(22,000)	(23,000)	
Environmental Health	Statutory		(25,550)		(35,000)		(11,000)
Housing	Statutory	36,000	(16,800)				
Council Tax & Business Rate Collection	Statutory		(29,850)	(10,000)	(40,000)	(30,000)	(30,000)
Waste & Recycling	Statutory	(50,000)	(72,500)	(15,000)			(154,000)
Clean Streets	Statutory	(10,000)	(22,550)	(5,000)			
Engineering & Drainage	Statutory		(2,700)			5,000	
Elections	Statutory		(3,450)				
External & Internal Audit	Statutory	(10,000)	(5,750)		(10,000)		(25,000)
Customer Services	Support		(15,100)	(3,000)	(20,000)	(22,000)	(15,000)
Finance	Support	(10,000)	(19,500)		(20,000)	(45,000)	(20,000)
Legal	Support		(11,000)		(20,000)		(20,000)
Personnel & Payroll	Support		(7,750)		(5,000)	(35,000)	(5,000)
Communications	Support		(3,150)		(3,000)	(10,000)	(3,000)
Property Services	Support	(50,000)	(14,600)		(50,000)	(10,000)	(14,000)
Democratic Services	Support	(25,000)	(17,050)	(35,000)	(35,000)	(100,000)	
ICT	Support	(100,000)	(34,500)	(150,000)	(50,000)	(100,000)	(90,000)
Central Corporate Services	Support	(40,000)	(24,350)		(20,000)	(50,000)	
Culture, Tourism & Leisure	Discretionary	(13,000)	(25,650)		(50,000)	5,000	(10,000)
Economic Development	Discretionary	(10,000)	(8,400)			5,000	
Crime Reduction	Discretionary		(1,850)			(7,000)	(2,000)
Emergency Planning	Discretionary		(700)			(4,000)	(1,000)
Housing Enabling	Discretionary	22,000	(8,900)	(2,000)		(9,000)	
Open Spaces	Discretionary		(8,700)		(20,000)		
Public Toilets	Discretionary	(140,000)	(7,000)			5,000	
Community Development	Discretionary		(6,150)			10,000	
Total Savings Identified		(400,000)	(419,750)	(270,000)	(400,000)	(415,000)	(400,000)

A figure with a bracket around it indicated an area where the Group at the public events would like to see savings or more income generation. Conversely, a figure without a bracket indicated an area where the Group wanted to see more investment in a service.

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APPENDIX E - FINANCIAL RISK ASSESSMENT

Service	Potential variance	Risk and Impact	Mitigation
Economic downturn	300,000	Impact on income to the Council from reduced fees and charges due to the credit crunch	We monitor the budget quarterly and keep income levels under review. The Council monitors Income streams on a monthly
Pensions	50,000	Dependent on many factors and difficult to predict but future contributions may be affected by the economic downturn and increased life expectancy of pensioners.	There is an actuarial assessment every 3 years. A valuation was undertaken in March 2010. The actuaries have confirmed that the employer contribution rates can remain unchanged and stay the same. See 3.7 of the main report.
Capital Programme	200,000	Capital projects are subject to variation due to a number of factors including costs and timing (potential overspending - figures are 10% nationally)	Significant capital projects are subject to risk management processes that quantify risks and identify appropriate management action - Contingencies are included within major capital projects
Major disaster/increased demand for council services	150,000	Short term funding may be required to deal with a short term or emergency situation before government finance or other funding becomes available	A business continuity plan is in place and budget monitoring reports will highlight increased demand for council services, allowing an action plan to be put in place.
	700,000		

NOTE: THE COUNCIL'S POLICY ON THE MINIMUM LEVEL OF UNEARMARKED REVENUE RESERVES SHOULD USUALLY BE SET AT £700,000 - TO EQUATE TO THE FINANCIAL RISKS IDENTIFIED

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COMMITTEE SUMMARY	Budget 2012/2013	Budget 2011/2012
	£	£
Environment and Community Committee	3,860,123	4,074,457
Future Planning & Housing Committee	891,808	965,071
Overview & Scrutiny Committee	1,500	1,500
Planning & Licensing Committee	597,697	559,624
Standards Committee	8,000	8,000
Strategies & Resources Committee	2,169,977	2,179,851
TOTAL REVENUE BUDGET FOR THE AUTHORITY	7,529,105	7,788,503
Less funding from Earmarked Reserves		-50,000
Council Tax Freeze for 2011-12		-99,422
Less funding from New Homes Bonus	-200,000	-150,000
NET BUDGET REQUIREMENT FOR 2012/2013	7,329,105	7,489,081

Note: There may be small adjustments to the reallocation of Support Service costs.

The finances to support the 2012-13 budget is funded from the following sources:

Grant Received From Government
Council Tax
Collection Fund

Council Tax that relates to previous years.

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NOT FOR PUBLICATION

EXEMPT INFORMATION – Paragraph 3 – Information relating to the financial or business affairs of an particular person including the authority holding that information. (Applies to Appendices A, B and C)

AGENDA
ITEM

12

WEST DEVON BOROUGH COUNCIL

AGENDA
ITEM

12

NAME OF COMMITTEE	Council
DATE	14 February 2012
REPORT TITLE	Capital Programme 2012/2013-2014/2015
Report of	Chief Accountant
WARDS AFFECTED	All

Summary of report:

To ask Members to approve the 2012/2013 Capital Programme, as shown in Appendix A.

Financial implications:

The Council has severely limited resources, in the form of capital receipts, to fund Capital Projects in 2012/2013. The report sets out Capital Bids to the 2012/2013 Capital Programme totalling £1,045,000 and a suggested way that these Bids can be funded.

RECOMMENDATIONS:

Members are requested to recommend:

- 1 The budget for the 2012/2013 Capital Programme totalling £1,045,000, as shown in Section 5.1.
- 2 The proposed method of funding these Bids as set out in Section 5.2.
- 3 To delegate approval to the Head of Environmental Health & Housing, in consultation with the Head of Finance, to be able to amalgamate the Private Sector Renewal Grant budget and the Disabled Facilities Grant budget in each financial year and to use the total budget in order to meet the demands of both capital schemes.

Officer contact:

Jackie Waites, Chief Accountant
01822 813543 jwaites@westdevon.gov.uk

1. BACKGROUND

- 1.1 This year all services within the Council have put forward capital bids for capital funding for particular projects. After consideration of this report, Members of the Strategies & Resources Committee can recommend a Capital Programme for 2012/2013 to Council in February.

1. CAPITAL PROGRAMME 2012/2013 – 2014/2015

- 2.1 At present, capital budgets have been approved which fully commit all the Council's capital receipts leaving a capital resource provision (uncommitted remaining funds left) of only £100,000.

2. FUNDING POSITION

- 2.1 The table below shows the funds available to be carried forward into 2012/2013, from the 2011/2012 Capital Programme, totalling £100,000.

Capital Programme 2011/12	£'000	£'000
Usable Capital Funds Reserve – as at 1 April 2011		(1,125)
Less existing Capital Programme for 2011/12	2,425	
Funded by Revenue Reserves	(64)	
New Homes Bonus 11/12 – as per Strategies & Resources Committee report April 2011	(100)	
Funded by Earmarked Reserves	(66)	
Funded by Section 106	(250)	
Funded by Government Grants	(920)	
		1,025
Capital Resources to be carried forward from 2011/2012 to 2012/2013.		(100)

3. CAPITAL BIDS 2012/2013

3.1 Leisure Centre Bids

These items are explained further in Appendix B.

3.2 Tenants Incentive Scheme

There is a shortage of affordable housing in West Devon and whilst the Council continues to work to increase the supply of new homes it is important to ensure that the existing stock of affordable housing is used effectively. The Tenants Incentive Scheme provides a financial incentive to households in the social housing stock under-occupying their home and prepared to move to a home with at least one bedroom less. The amount of the incentive depends on the number of bedrooms released. It makes best use of the existing affordable housing stock.

Its purpose is to meet identified local housing needs and prevent homelessness. The Tenants Incentive Scheme was implemented in 2004 and was originally funded through the remainder of the capital receipt received following stock transfer. The amount available was £37,000. This sum released 15 larger units of accommodation. The public subsidy required to build these homes would have cost around £800,000.

4.3 Village Hall Grant Scheme

This scheme is to provide a fund to assist village halls with capital improvement works and new build projects to support capital village hall projects within West Devon which contribute to the Council's Community Life priority. Village halls represent the largest network of indoor community and recreational facilities in West Devon. In West Devon there are in excess of 50 village/community halls all of which have in the past or will in the future want support from the Council.

Village halls are increasingly becoming the focal points of villages, offering an increasing range of services including; the village shop, post office, GPs, training and learning courses, physical activities, playgroups, artistic performances, as well as being places of general community interaction. By offering so many services and facilities, Village Halls strongly contribute to the future sustainability of rural communities.

Innovation is essential for halls to remain viable, however, this grant scheme also proves very valuable to West Devon's Village Halls because it recognises the need to also maintain the general internal and external fabric of a hall's structures. Typical projects include improving disabled access to hall and toilet facilities, energy efficient heating and lighting systems.

Funding for 2011/12 and 2012/2013 was agreed at Full Council on 15th February 2011, this bid refers to bids for 2013/2014 and 2014/2015.

4.4 Community Project Grant Scheme

To provide a fund that supports community organizations with capital project costs. To support capital projects within West Devon which contribute to the Council's Environment, Economy or Community life.

This grant scheme has been running since 1995 supporting a range of community led capital projects throughout the Borough. Projects have included those highlighted in MTCi and Parish Plans and those put forward by community groups. Support of projects is based on evidence of community support and need. Typical projects include new/improved play areas, community transport, sports facilities, community and youth centres, species and habitat enhancement projects. The grant scheme contributes to new/improved/sustainable facilities for the population in West Devon according to their needs. Circa 15 projects are supported by this grant scheme per annum.

The grant scheme supports a range of innovative and important local projects that provide key services and facilities, which without Borough Council support might otherwise not attract other local or national funding. The grant scheme delivers to all age groups within the Borough, with one of the main benefits being its' flexibility. The need and support for the projects must always be clearly evidenced, and in this way, the scheme is able to support projects that are important to our rural communities.

Assistance from the Borough Council Community Project Grant scheme demonstrates strong local support, which is essential in attracting external funding from local, regional and national sources including the Big Lottery Fund, landfill tax credits, charitable Trusts and Foundations. Per annum, the grant scheme usually draws in between £10 and £20 of external funding for every £1 from the Council. There are no revenue consequences for WDBC other than administration of the grant, and assistance with securing other funding where necessary.

Funding for 2011/2012 and 2012/2013 was agreed at Full Council on 15th February 2011, this bid refers to bids for 2013/2014 and 2014/2015.

4.5 Website

At present South Hams and West Devon each operate their own web site and content management software. The content management systems at both sites are at end of their life and due for replacement. In March 2010 the Joint Services Group agreed that

“Both websites be improved to exploit their use as a platform that can maximise their potential for transactions and thus reduce operating costs, in line with the report from SOCITM - Shared ICT Services”.

In September 2011 a survey to Members and staff identified the Website Project as the top priority for the 2015 Transformation Programme.

This strategic project will deliver a new website for West Devon and South Hams Councils and customers. There will be a new look and feel at the front end with up to-date good quality information and where appropriate, online transactional capabilities.

A copy of the report for the new Website is on this agenda. There is already an existing budget of £35,000 for this project. This is a request for a further £5,000.

4.6 New Revenues and Benefits Software

There is a separate report on this agenda detailing this capital project. It is recommended that the capital costs are met from existing Revenues and Benefits Development Fund Earmarked reserve of £30,000 plus an additional bid to General Fund Earmarked Reserves.

4.7 Disabled Facilities Grants

The Council has a statutory duty under the Housing Grants, Construction and Regeneration Act 1996(as amended) to fund adaptations to properties to enable people to live independently within their home. The grants, known as Disabled Facilities Grants (DFG), are means tested grants of up to £30,000 and are awarded to qualifying residents, regardless of tenure. Grants for qualifying children are not means tested. Grants range from simple stair lifts and ramps up to house extensions and multiple adaptations to kitchens/bathrooms. There are conditions on future occupation and a sum of up to £10,000 can be repaid in certain circumstances.

In order to reduce the pressure on the DFG budget and secure value for money when approving grants, a number of initiatives have been undertaken and implemented. These include a Schedule of Rates for Level Access Showers, a stair lift contract (saving approximately 30% on each lift) and the development of a protocol with Registered Providers seeking their commitment to pay for all, or a proportion of, their adaptation costs.

The Council receives a grant from Government each year based on a formula relating to the profile of the district/borough. The demand for the grants exceeds the Government allocation. Until last year the Council had a duty to match fund the grant at a rate of 40% of the total budget (for example Government grant £150,000, WDBC £100,000 = £250,000 budget).

This requirement, and the ring fence on the Government grant, has been removed. The demand however remains and is increasing in line with the ageing population.

The budget for 2011/2012 comprised of a Government Grant of £174,000 and a carry forward of unspent DFG capital of £100,000 from 2010/2011 (this arose due to changes in working practice at Devon County Council resulting in a reduced spend compared with previous years). Due to the lack of available capital resources, Members determined to use unspent Regional Housing Pot (Decent Homes Grant) money should the above budget be exceeded. The Decent Homes Grant from Government has now been completely cut (for 2010/2011 this was £361,000) and therefore this approach will be unsustainable in future years.

In order to discharge the Council's statutory duty and meet predicted demand it is recommended that the Council commits £280,000 from capital (New Homes Bonus) each year over the three year budget period, in addition to the Government grant, predicted to be £170,000. This would give a Budget of £450,000 for Disabled Facilities Grants. It is recommended that any under spends be rolled forward over the three year period to deal with fluctuations in demand. It is also recommended that repaid grant moneys from DFGs are recycled into the budget for future use.

4.8 Private Sector Renewal (Homes Strategy)

This provides funding to support the delivery of the Homes Strategy through the provision of recyclable loans aimed at reducing fuel poverty, bringing empty properties back into use and securing safe and healthy homes in line with the Councils duties under the Housing Acts.

The budget for 2011/2012 is £322,000 with a predicted spend of approximately £280,000 (including a transfer of £176,000 to the DFG budget as detailed above). Funding for Private Sector Renewal was historically funded from Regional Housing Pot (Decent Homes Grant) which has now been completely removed.

It is recommended that the Council sets budget of £125,000 from capital (funded by New Homes Bonus) for Private Sector Renewal Grants.

It is recommended that any under spends be rolled forward over the three year period to deal with fluctuations in demand and build up a sustainable loan fund. It is also recommended that repaid grant moneys from historical PSR activity are recycled into the budget for future use.

4.9 Affordable Housing

Historically, funding for new affordable housing has been provided by the Homes and Communities Agency (HCA). Following the Comprehensive Spending Review in early 2011, the HCA's capital budget was cut by almost 60%. This has created a very challenging funding climate both nationally and locally. Whilst there is less HCA grant available, the Council's Core Strategy requires small developments to provide financial contributions toward the provision of affordable housing. This approach will provide an important additional source of funding for affordable housing in future years.

Due to the significant changes to the social housing sector and reduced levels of funding nationally, the Affordable Housing Team will shortly be undertaking a review of how the Council prioritises and invests its resources in strategic housing. The review aims to identify priorities together with alternative methods and approaches to investment. This will include, for example, looking at how overall affordability can be improved by investing in higher energy performance to reduce the overall cost to the occupier. The review will also consider how Council investment can be recycled more effectively within the borough. The team will fully engage Members in the review before seeking formal approval in early 2012.

It is recommended that the Council sets a budget of £150,000 from capital (funded by New Homes Bonus) for Affordable Housing.

5 FINANCING THE CAPITAL PROGRAMME 2012/2013

5.1 The following is a summary of the Capital Bids received for 2012/2013.

The table excludes the Revenue and Benefits Software, as this will be subject to a further report.

Capital Bids for 2012/2013	Amount (£)
Leisure Centre Bids	300,000
Tenants Incentive Scheme	15,000
IT Website	5,000
Disabled Facility Grants	450,000
Private Sector Renewal Grants	125,000
Affordable Housing	150,000
TOTAL	1,045,000

5.2 The table below shows the recommended way in which the Capital Programme for 2012/2013 is funded.

Capital Programme 2012/2013	£
Balance brought forward as per 3.1	100,000
New Homes Bonus 12/13 – See 5.3	600,000
Capital funds released back to general capital resources (See Note 1 below)	190,000
Government Grant funding towards Disabled Facilities Grants	170,000
TOTAL	1,060,000
Balance remaining	15,000

Note 1 – There is currently a capital budget for £193,642 for West Devon Employment Land within the 2011/2012 Capital Programme. As there are no current commitments to this budget, it is recommended that this budget is released back into the Capital Programme, to provide funding for next year's Capital Programme for 2012/2013. This means that this budget will be given up in the budget setting process. When new commitments arise for employment land, there will be sufficient lead-in time for this to be built back into the Capital Programme process.

5.3 **New Homes Bonus Scheme** – This grant was introduced in 2011/2012 and provides incentives for local authorities and local communities to be supportive of housing growth. The key elements are as follows:-

- The Government will match fund the council tax raised on each new home
- Bonus is payable for a six year period
- National average council tax bands will be used to calculate the bonus
- Band D home would attract an annual bonus of £1,439 per home
- Additional payment of £350 per year for affordable homes
- Bonus to be funded through Formula Grant
- In two tier areas 80% will be paid to Districts and 20% paid to Counties
- Bonus grant will not be ring fenced so can be spent on anything

5.4 The Council's allocation for 2011/2012 was £323,920 and the allocation for 2012/2013 is £892,542.

5.5 A bonus is payable for a six year period and therefore West Devon Borough Council received £323,920 in year one and will receive at least £892,542 for the next five years. The grant is cumulative and a bonus is payable for a six year period. Formula Grant is likely to be replaced with business rates retention and new homes bonus from 2013-14 onwards.

5.6 The diagram below shows the proposed allocation of New Homes Bonus for 2012/2013 and further details are set out in the Revenue Budget Setting report for 2012/2013 on this agenda of the Strategies & Resources Committee meeting.

Proposed Allocation of the New Homes Bonus (NHB) for 2012/2013

Total Allocation for 2012/2013	£892,542
Funding the 2012/13 Revenue Base Budget of the Council	£200,000
To use to fund the Capital Programme for 2012-13 (This is mainly funding Disabled Facilities Grants, Private Sector Renewal Grants and Affordable Housing capital projects as detailed above)	£600,000
Provision for a share of the NHB for the Dartmoor National Park Authority	£40,250
Unallocated amount remaining	£52,292

- 5.7 The Council has very little remaining capital resources and this New Homes Bonus Scheme could provide a partial funding solution for the capital programme in the longer term, in particular for Disabled Facilities Grants, Private Sector Renewal Grants and Affordable Housing

6. LEGAL IMPLICATIONS

- 6.1 In accordance with section 2.2 of the Council's Financial Procedure Rules, Council is responsible for setting the Capital Programme and approving the Capital Budget, following consideration and recommendation from Strategies and Resources Committee. As per 3.14 of the Rules, the Head of Finance is responsible for ensuring that a Capital Programme is prepared on an annual basis for submission to Council.
- 6.3 The Appendices in this report have been placed in part 2 of the agenda due to their commercial sensitivity. An assessment has been carried out as to whether the public interest in withholding this information from the public domain outweighs the public interest in disclosing it. It was assessed that maintaining the confidentiality of the commercially sensitive information relating to various bodies outweighed the public interest in disclosure of the same.

7. FINANCIAL IMPLICATIONS

- 7.1 The financial implications are set out in the report. The annual bids within the Capital Programme for 2012/2013 require funding of £1,045,000 as shown in section 5.1.

8. RISK MANAGEMENT

- 8.1 The risk management implications are addressed within the report.

OTHER CONSIDERATIONS

Corporate priorities engaged:	The report meets all the corporate priorities as they are all implicit within the budget setting process.
Statutory powers:	Local Government Act 1972, Section 151
Considerations of equality and human rights:	N/A

Biodiversity considerations:	None directly related to this report.
Sustainability considerations:	None directly related to this report.
Crime and disorder implications:	None directly related to this report.
Background papers:	15 November 2011 – S&R Committee – Capital Programme 2011/12
Appendices attached:	A – Exempt - Capital Programme 2012/2013 – 2014/2015 B - Exempt – Leisure Centre Capital Bids C - Exempt – Leisure Centre Capital Bids

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NAME OF COMMITTEE	COUNCIL
DATE	14 FEBRUARY 2012
REPORT TITLE	DEMOCRATIC ARRANGEMENTS
REPORT OF	CHIEF EXECUTIVE
WARDS AFFECTED	ALL

Summary of report:

For Members to decide if they want to adopt alternative democratic arrangements, following the discussions that have taken place in the Working Group, at the last Council meeting on 13 December 2011 and at two Informal Council meetings.

Financial implications:

The recommendations are not expected to add to the direct costs of the Council, in terms of Members' allowances or travel. There should be a saving in officers' time needed to support two rather than three Committees.

RECOMMENDATIONS:

- (a) **That Council resolves to adopt** that, as from the Annual Council meeting in May, the following is piloted for a one year period:
- 2 Committees with functions set out at Appendix B be introduced with 11 places on the Resources Committee and 10 on the Community Services Committee;
 - That the Committees meet six times per year on a two-monthly cycle with the Community Services Committee preceding the Resources Committee;
 - That membership of Overview & Scrutiny Committee be increased to 10 Members and makes more use of its current powers to enable it to form Task & Finish Groups to develop or review Policies.
 - Audit Committee Members be drawn from the 10 Overview & Scrutiny Members.
- (b) That to avoid any misunderstanding **the Council further resolves** to make it clear that there will not be any move to Executive arrangements for the life of the Administration

Officer contact:

Richard Sheard, Chief Executive

Tel: 01803 861363; E-mail: richard.sheard@swdevon.gov.uk

1. BACKGROUND

1.1 Members will recall the decision of the Council on 13 December 2011 that:

"The Council fully considers the Review of Democratic Arrangements report at the 14 February 2012 Council meeting.

In discussion, a number of Members requested further information on a number of issues in time for a roundtable debate at the Informal Council session on Monday, 9 January 2012.

1.2 As agreed, Members subsequently discussed the issues at Informal Council and revised the set of criteria against which any option should be judged.

2. ISSUES FOR CONSIDERATION

2.1 Following Informal Council, the Democratic Arrangements Working Group met and recognised the strength of opinion of the wider membership on three key points:

- The desire for an evolutionary rather than a revolutionary approach
- The importance of securing a consensus on any recommended change;
- The need to ensure the fullest involvement of Members in a structure which allows the maximum number a vote.

2.2 In the light of this wider discussion at Informal Council, the Working Group revised its criteria against which it would judge the options.

2.3 The Working Group then went onto consider three options against the revised criteria:

- The improved status quo option with the Member structure aligned to that of senior management;
- The single Committee option;
- The two Committee option.

The Working Group used a simple scoring system against the listed criteria as set out in Appendix A – 1 being the first choice, 3 being the least favoured.

2.4 Whilst accepting the limitations of a simple subjective scoring system, the Working Group members debated the merits of each option against the criteria and supported the conclusion that the 2 Committee option best fitted the criteria, providing arrangements to secure optimum involvement of all Members in an evolutionary step forward from the present 3 Committee arrangement.

2.5 The Working Group also gave further consideration as to how Overview & Scrutiny arrangements could be revised to allow greater involvement of Members. It came to the view that by increasing the number of Members on the Overview & Scrutiny Committee to 10 and developing its role to enable Task & Finish Groups to review or develop specific Policies, more Member involvement could add value to the Council's existing arrangements.

- 2.6 The Working Group reached a view that if Members at large genuinely desire maximum involvement in a structure that allows the maximum number to vote, the obvious way to achieve this is by creating two Committees, one with 16 places, the other with 15. However, this presents a difficulty if the independence of the Overview & Scrutiny Committee and Audit Committee Members is to be maintained. Ideally the decision-making and scrutiny roles should be kept separate, otherwise Members could be placed in the invidious position of scrutinising and calling in decisions they have been party to in Committee.
- 2.7 The Working Group therefore offers two options:
- 1) The first is to recommend two Committees of 16 and 15 with revised constitutional arrangements to ensure that Overview & Scrutiny can scrutinise dispassionately;
 - 2) The second is to recommend a Resources Committee of 11; a Community Services Committee of 10 and a further 10 places on Overview & Scrutiny, drawing Audit Committee Members from the Overview & Scrutiny membership.
- 2.8 The Working Group's clear preference is to adopt the second option. It ensures a clear split between decision-making and the scrutiny role; it avoids setting up what could be rather clumsy arrangements to handle scrutiny in the first option and the two main Committees would be of a size that should ensure optimum efficiency and effectiveness. Substitution arrangements would work as now.
- 2.9 The political balance for both options is set out at Appendix C.
- 2.10 Members of the Working Group therefore recommend, as from the Annual Council meeting in May, the following is piloted for a one year period:
- 2 Committees with functions set out at Appendix B with 11 places on the Resources Committee and 10 on the Community Services Committee;
 - That the Committees meet six times per year on a two-monthly cycle with the Community Services Committee preceding the Resources Committee.
 - That membership of Overview & Scrutiny Committee be increased to 10 Members and makes more use of its current powers to enable it to form Task & Finish Groups to develop or review Policies.
 - Audit Committee Members be drawn from the 10 Overview & Scrutiny Members.
- 2.11 It is further recommended that to avoid any misunderstanding the Council resolves to make it clear that there will not be any move to Executive arrangements for the life of the Administration.

3. LEGAL IMPLICATIONS

- 3.1 Only the Council may appoint Committees and Sub-committees.

3.2 As a 'fourth option' Council, West Devon Borough Council is under an obligation to secure continuous improvement in the way that its functions are exercised having regard to a combination of economy, efficiency and effectiveness, and may arrange its committee structure as it thinks fit. There is no requirement for public consultation.

4 FINANCIAL IMPLICATIONS

4.1 The recommendations are not expected to add to the direct costs of the Council, in terms of Members' allowances or travel. There should be a saving in officers' time needed to support two rather than three Committees.

5. RISK MANAGEMENT

5.1 The risks – description, impact, mitigation – are detailed in the table attached as Appendix D

6. OTHER CONSIDERATIONS

Corporate priorities engaged:	✓
Statutory powers:	✓
Considerations of equality and human rights:	✓
Biodiversity considerations:	✓
Sustainability considerations:	✓
Crime and disorder implications:	✓
Background papers:	Council Report – 13 December 2011
Appendices attached:	A - Scoring matrix on the 3 options B – The 2 Committee option C – Political Balance table for each option D - Risk Management table

APPENDIX A

CRITERIA DISCUSSED AT INFORMAL COUNCIL	IMPROVED STATUS QUO ALIGNED	SINGLE COMMITTEE OPTION 1	TWO COMMITTEES OPTION 4
Balances need for discussion and deliberation with decisiveness	3	2	1
Allows all Members' points of view to be heard	1	3	2
Democratic – maximises involvement of all Councillors with a vote	2	3	1
Most cost effective	3	2	1
Evolutionary not revolutionary	2	3	1
Aligns with senior management structure	3	2	1
Alignment with South Hams' meeting dates	3	1	2
Councillors committed to making arrangements work	1	3	2
	18	19	11

Note:

1 = first choice

2 = second choice

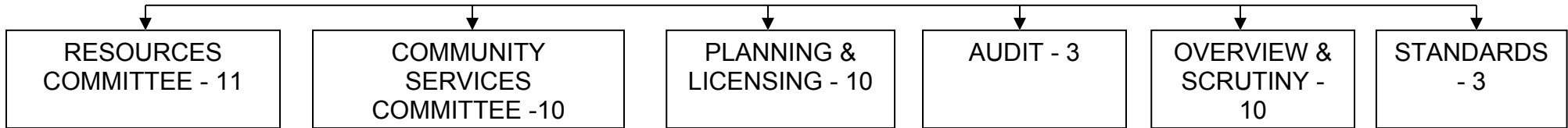
3 = third choice

Therefore the lowest total = the preferred option

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TWO COMMITTEE MODEL

COUNCIL



Assets
Corporate Services/HR
Finance & Audit
ICT
Customer Services

Environment Services
Environmental Health
Housing
Planning
Economic Development
Community Delivery

All of the above as now

Head of Assets
Head of Corporate Services
Head of ICT & Customer Services
Head of Finance & Audit

Head of Environment Services
Head of Environmental Health & Housing
Head of Planning, Economy & Community

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Democratic Arrangements Working Group Note 31 January 2012

The Working Group have recommended a two Committee system, and have asked that every Member has a seat on one or other committee and therefore a vote in the decision making process.

The Committees will be subject to political balance. Their structure may be as follows, subject to the notes:

	Total Entitlement	Cttee 1	Cttee 2	O & S		P & L	Audit	Sts	DNP	Check
Con	37	10	9	6		6	2	2	2	37
Ind	15	4	4	2		3	0	1	1	15
LibDem	6	2 or 1	2 or 1	1		1	1	0	0	6
NonAligned	2	1 or 0	1 or 0	1						2
Total	60	16	15	10		10	3	3	3	60

Notes:

It is assumed that the existing membership of Planning and Licensing, Audit Committee, Standards and DNP are not amended.

The Lib Dem Group may decide which Committee has two Members and which Committee has one Member; the ungrouped Member will then have to sit on the Committee where the Lib Dems have one Member.

Alternative option:

There may be a view that, in order to have an effective Overview and Scrutiny function, it is important that O&S and Audit Committee Members do not sit on decision making committees. They are not precluded from speaking, but in order to undertake the 'critical challenge' role of O&S, they need to remain independent.

If that alternative option were to be proposed, the structure may look like this:

	Total Entitlement	Cttee 1	Cttee 2	O & S to include Audit		P&L	Standards	DNP	Check
Con	29	7	6	6		6	2	2	29
Ind	12	2 or 3	2 or 3	2 or 3		3	1 or 0	1 or 0	12/14
LibDem	5	1	1	1		1	1 or 0	1 or 0	4/5
NonAligned	1	1 or 0	1 or 0	1 or 0					1
Total	47	11	10	10		10	3	3	47

Notes:

The Independent Group have to choose which two Committees they appoint three Members to. The Committee containing only two Independents will be the Committee on which the NonAligned Member sits. In addition, the Independents have to give up a seat on either Standards or DNP to a Lib Dem Member (assuming they want to keep 3 seats on P&L). Similarly the Lib Dems will have two seats across P&L, Standards and DNP.

Audit Committee Members are appointed from the Overview and Scrutiny Committee, and will also be subject to political balance.

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APPENDIX D

No	Risk Title	Description	Impact	Chance	Score	Mitigating Actions	Ownership
1	High workload	One or both Committees overloaded	3	3	9	Increase frequency of meetings if peaks occur Utilise Overview & Scrutiny Task & Finish Groups to support policy work or use other informal mechanisms	Committee Chairs CX
2	Cost	New system becomes more costly than existing	2	2	4	Low risk as Members can control cost of Member allowances	Council
3	Ineffective use of Senior Managers' time	Senior Managers' time tied to preparation and attendance at Committees	2	3	6	Design and allocation of functions to Committee alleviates this risk	Committee Chairs CX
	Less effective	Councillors find the system less effective than present, after allowing for bedding in	4	2	8	Revert to existing system or adjust on 12 month review	Council

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Note - Risks scoring:

- between 20-25 are deemed to be very high
- between 12-19 are deemed to be high
- between 8-12 are classified as medium risk
- below 8 are considered to be low risk

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Agenda Item 3

At a Meeting of the **WEST DEVON BOROUGH COUNCIL** held in the **COUNCIL CHAMBER, KILWORTHY PARK, TAVISTOCK** on **TUESDAY** the **14TH** day of **FEBRUARY 2012** at **4.30pm** pursuant to Notice given and Summons duly served.

Present

Mr D Horn – Mayor	
Mr R Musgrave – Deputy Mayor	
Mrs S Bailey	Mr R Baldwin
Mr M Benson	Mr W Cann OBE
Mrs A Clish-Green	Mr D Cloke
Mrs M Ewings	Mrs C Hall
Mrs M Harper	Mr J Hockridge
Mr A Leech	Mrs C Marsh
Mr J McInnes	Mr N Morgan
Mr M Morse	Miss D Moyse
Mr R Oxborough	Mr T Pearce
Mr P Ridgers	Mrs L Rose
Mr R Sampson	Mr P Sanders
Mrs D Sellis	Mr E Sherrell
Mr D Whitcomb	Mr D Wilde

Chief Executive
Head of Finance and Audit
Head of Environmental Health and Housing
Monitoring Officer
Democratic Services Manager
Deputy Monitoring Officer
Member Services Manager
Communications Manager

CM 53 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors K Ball and T Hill.

CM 54 DECLARATIONS OF INTEREST

The following declaration of interest was made.

1. Cllr N Morgan in Item 10(iv) (Minutes of the Standards Committee meeting held on 24 January 2012) – personal as his wife was a parish/town council representative on the Committee.

CM 55 CONFIRMATION OF MINUTES

It was moved by Councillor J McInnes, seconded by Councillor P Sanders and upon the motion being submitted to the Meeting was declared to be **CARRIED** and “**RESOLVED** that the Council agree the Minutes of the 13 December 2011 Council Meeting as a true record”.

CM 56 COMMUNICATIONS FROM THE MAYOR

The Mayor stated that he had attended several events since the last meeting.

a. **Environment and Community Committee – 17 January 2012**

It was moved by Councillor Mr R Oxborough, seconded by Councillor Mr R Sampson and upon being submitted to the Meeting was declared to be **CARRIED** and “**RESOLVED** that the Minutes of the 17 January 2012 meeting be received and noted”.

b. **Overview and Scrutiny Committee – 17 January 2012**

It was moved by Councillor Mr D Cloke, seconded by Councillor Mr D Whitcomb and upon being submitted to the Meeting was declared to be **CARRIED** and “**RESOLVED** that the Minutes of the 17 January 2012 meeting be received and noted”.

c. **Planning and Licensing Committee – 6 December 2011, 3 January & 31 January 2012**

It was moved by Councillor Mrs C Marsh, seconded by Councillor Mr P Sanders and upon the motion being submitted to the Meeting was declared to be **CARRIED** and “**RESOLVED** that the Minutes of the 6 December 2011, 3 January 2012 and 31 January 2012 Meetings be received and noted”.

d. **Standards Committee – 24 January 2012**

It was moved by Councillor Mr D Whitcomb, seconded by Councillor Mr A Leech and upon the motion being submitted to the Meeting was declared to be **CARRIED** and “**RESOLVED** that the Minutes of the 24 January 2012 meeting be received and noted”.

e. **Strategies & Resources Committee – 24 January 2012**

It was moved by Councillor Mr P Sanders, seconded by Councillor Mr J McInnes and upon being submitted to the Meeting was declared to be **CARRIED** and “**RESOLVED** that the Minutes of the 24 January 2012 meetings be received and noted, with the exception of unstarred minutes S&R 38 and S&R 41”.

In respect of the Unstarred Minutes:

i. **S&R 38 – New Website**

It was moved by Councillor Mr P Sanders and seconded by Councillor Mr J McInnes and upon being submitted to the Meeting was declared to be **CARRIED** and “**RESOLVED** that:-

1. Expenditure required to proceed with procurement and implementation of the new website be approved; and
2. The cost of the new website be funded from the existing budget of £35,000 within the approved Capital Programme for 2011/12, plus an additional bid for £5,000 to the Capital Programme for 2012/13.”

ii. **S&R 41 – New Revenue and Benefits Software Contract**

It was moved by Councillor Mr P Sanders and seconded by Councillor Mr J McInnes and upon being submitted to the Meeting was declared to be **CARRIED** and “**RESOLVED** that:-

1. The project be added to the Capital Programme for 2012/13; and
2. The cost of the new system be funded from the Revenue and Benefits Earmarked Reserve, plus an additional bid to General Fund Earmarked Reserves.”

CM 58 GENERAL FUND REVENUE BUDGET 2012/13

The Head of Finance and Audit presented a report (page 51 to the agenda refers) which informed Members of the progress in the preparation of the General Fund budget for 2012/2013 and set out the recommendations from the Strategies & Resources Committee (Minute S&R 35 refers).

In her introduction, the Head of Finance and Audit made an addition to recommendation 9 of the report which had been tabled to the meeting and read as follows:-

‘A consequential General Fund Budget Requirement for 2012/13 of £7,329,105 as shown in Section 6.3 which equates to a Council Tax requirement for the Billing Authority, excluding local precepts, of £4,139,769.’

The recommendations on the report (including the proposed addition to recommendation 9) were subsequently moved en bloc by Councillor Mr P Sanders and seconded by Councillor Mr J McInnes.

In discussion, a lengthy debate ensued in respect of whether the Council should take advantage of the Council Tax Freeze Grant for 2012/13 which was on offer from Central Government.

In arguing that the Council should accept the Freeze Grant on offer, some Members made reference to:-

- the financial struggles being faced by residents due to the current economic situation;
- the possibility of those local authorities who accept the Freeze Grant being further rewarded in the future; and
- the comments of the Secretary of State in relation to local authorities having no credible reason not to accept the Freeze Grant on offer.

Whilst accepting these points, other Members took the alternative view that the Council should set a 2.5% increase in Council Tax. In so doing, these Members highlighted that:-

- if the Freeze Grant were accepted, there was likely to be a £100,000 shortfall in the base budget from 1 April 2013. As an already lean authority, it was considered almost inevitable that this would have to result in a cut to some Front Line Services. As a consequence, some Members felt that a 2.5% increase in Council Tax (9p per week on a Band D Property) would actually be in the longer term interests of local residents;
- there was a lack of headroom in the budget, with reference made to the level of reserves held by the Council being just in line with the minimum level required by the Audit Commission; and
- the precarious and uncertain position in respect of the proposed changes in Central Government Grant Funding and localisation of business rates.

Following this debate, and in accordance with Council Procedure Rule 19 Part 5, a recorded vote was called for in relation to part 1 only of the motion. The voting on the motion was recorded as follows:-

For the motion (24):- Cllrs Mrs Bailey, Mr Baldwin, Mr Benson, Mr Cann OBE, Mr Cloke, Mrs Ewings, Mrs Hall, Mr Hockridge, Mr Horn, Mr Leech, Mrs Marsh, Mr McInnes, Mr Morgan, Mr Morse, Miss Moyse, Mr Musgrave, Mr Oxborough, Mr Pearce, Mr Ridgers, Mrs Rose, Mr Sampson, Mr Sanders, Mrs Sellis and Mr Whitcomb.

Against the motion (3):- Cllrs Mrs Clish-Green, Mr Sherrell and Mr Wilde.

Abstentions (1):- Cllr Mr Harper.

Absent (2):- Cllrs Mr Ball and Mr Hill.

and this part of the motion was therefore declared **CARRIED**.

The remaining parts of the motion were then voted en bloc and upon being submitted to the Meeting, it was declared to be **CARRIED** and **“RESOLVED** that Members agree:

1. To set a 2.5% increase in Council Tax for 2012/2013 (the Band D Council Tax for West Devon Borough Council will be £196.95 for 2012/13, an increase of £4.80 per year or 9 pence per week) as per Section 5.6;
2. That the financial pressures in Appendix A should be accepted (total of £197,500).
3. To agree the schedule of savings identified in Appendix A, totalling £469,398.

4. To agree to use £200,000 of funding from the New Homes Bonus Scheme as per 7.5.
5. To agree the details set out in Section 4.8 on the fees and charges which the Council has the discretion to levy.
6. To set a target for additional savings from shared services of £50,000 for 2012/2013 as per Section 4.5.
7. To allocate £40,250 of the New Homes Bonus to the Dartmoor National Park Authority.
8. The Discretionary bids should be accepted (as shown in Appendix A totalling £12,500).
9. A consequential General Fund Budget Requirement for 2012/2013 of £7,329,105 as shown in Section 6.3, which equates to a Council Tax requirement for the Billing Authority, excluding local precepts, of £4,139,769.
10. That the minimum level of unearmarked reserves be maintained at £700,000.
11. That the level of reserves and the assessment of their adequacy and the robustness of budget estimates be noted. This is a requirement of Part 2 of the Local Government Act 2003.”

CM 59 CAPITAL PROGRAMME 2012/13 TO 2014/15

In presenting the report, the Head of Finance and Audit requested that consideration of this agenda item now be deferred to a future meeting of Council, which would be held before 31 March 2012.

To clarify the reasons why this deferral was requested, the Head of Finance and Audit advised that it would be necessary to discuss the exempt appendix.

Therefore, it was then **RESOLVED** that under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the Meeting for the under-mentioned item of business on the grounds that exempt information may be disclosed as defined in paragraph 3 from Part I of Schedule 12(A) to the Act.

Having asked a number of questions in relation to the exempt appendix, it was then proposed, seconded and agreed to re-admit members of the public to the meeting.

At this point, it was moved by Councillor Mr P Sanders and seconded by Councillor Mr J McInnes and upon being submitted to the Meeting was declared to be **CARRIED** and “**RESOLVED** that:-

the Council reconsider this agenda item at a future Council meeting, which will be convened to take place before 31 March 2012’.

CM 60 DEMOCRATIC ARRANGEMENTS

The Chief Executive presented a report which outlined the proposal of the Working Group to adopt alternative democratic arrangements, initially on a one year trial period.

The recommendations on the report were subsequently moved en bloc by Councillor Mrs M Ewings and seconded by Councillor Mr W Cann OBE.

In discussion, particular reference was made to:-

- the overriding wish of a number of Members now to reach a decision on this matter;
- the proposal that it be made clear that there would not be any move towards Executive/Cabinet arrangements for the life of the administration being welcomed;
- the wish to strengthen the Overview and Scrutiny function also being welcomed;
- the importance of all Members continuing to play a role and being involved in the democratic process; and
- concerns raised at the proposal to make it a requirement for Audit Committee Members to be drawn solely from the Overview and Scrutiny Committee. In light of these concerns, Cllr Mrs D Sellis proposed an amendment to the motion, which was seconded by Cllr Mr J McInnes, whereby this part of the proposal should be deleted and upon being submitted to the Meeting, it was declared to be **CARRIED** and “**RESOLVED** that:-

(1) as from the Annual Council meeting in May, the following is piloted for a one year period:

- 2 Committees with functions set out at Appendix B be introduced with 11 places on the Resources Committee and 10 on the Community Services Committee;
- That the Committees meet six times per year on a two-monthly cycle with the Community Services Committee preceding the Resources Committee; and
- That membership of the Overview & Scrutiny Committee be increased to 10 Members and makes more use of its current powers to enable it to form Task & Finish Groups to develop or review Policies.

(2) to avoid any misunderstanding, it again be made clear that there will not be any move to Executive/Cabinet arrangements for the life of the Administration.”

CM 61 COMMON SEAL

A copy of the documents signed by the Mayor during the period between 24 November 2011 and 31 January 2012 was attached to the agenda (page 104 refers) and noted by the Meeting.

It was then moved by Councillor Mr D Horn, seconded by Councillor Mr J McInnes and upon the motion being submitted to the Meeting was declared to be **CARRIED** and “**RESOLVED** that:-

the Mayor and the Chief Executive (or deputies appointed by them) be authorised to witness the fixing of the seal on documents”.

(The Meeting terminated at 6.15 pm)

Dated this 23rd February 2012

Mayor

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