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West Devon
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WEST DEVON COUNCIL - TUESDAY, 12TH FEBRUARY, 2013

Agenda, Reports and Minutes for the meeting

Agenda No Item

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

2. **Reports**

Reports to Council:

a) Item 10 - Capital Programme for 2013/2014 (Pages 5 - 10)

b) Item 11 - Revenue Budget for 2013/2014 (Pages 11 - 44)

c) Item 12 - Planning Issues relating to the former Focus DIY Store, Tavistock Retail Park, Plymouth Road, Tavistock (Pages 45 - 50)

3. **Minutes** (Pages 51 - 58)

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Agenda Item 1

Please ask for:	Tony Rose	Your ref:	
Direct Line/Ext:	01822 813664	My ref	AAR/Council.12.02.2013
email:	arose@westdevon.gov.uk	Date:	4 th February 2013

COUNCIL SUMMONS

You are hereby summoned to attend a Meeting of the **WEST DEVON BOROUGH COUNCIL** to be held at the Council Chamber, Council Offices, Kilworthy Park, **TAVISTOCK** on **TUESDAY** the **12th** day of **FEBRUARY 2013** at **4.30 pm**.

Prior to the Meeting, the Reverend Graham Cotter from Buckland Monachorum has been invited to say prayers.

THE FOLLOWING BUSINESS IS PROPOSED TO BE TRANSACTED.

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

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

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|----|--|-----------------|
| 3. | To approve and adopt as a correct record the Minutes of the regular Meeting of the Council held on 11 th December 2012 | 1 |
| 4. | To receive communications from the Mayor or person presiding | |
| 5. | Business brought forward by or with the consent of the Mayor | |
| 6. | To respond to any questions submitted by the public and to receive deputations or petitions under Council Procedure Rule 21 | |
| 7. | To consider motions of which notice has been submitted by Members of the Council in accordance with Council Procedure Rule 15 | |
| 8. | To consider questions submitted by Members under Council Procedure Rule 21 | |
| 9. | To receive the Minutes of the following Committees, to note the delegated decisions and to consider the adoption of those Minutes which require approval | |

- (i) **Community Services Committee**
Meeting held on 22nd January 2013 10
- Unstarred Minute to agree**
Members are recommended to agree:
- CS 32 Continued Suspension of Car Parking Strategy**
In respect of Pay & Display Charges
RESOLVED to **RECOMMEND** to Council that the current suspension of the strategy for tariff setting only be continued to enable more flexibility when reviewing the Pay & Display charges for 2013/2014.
- (iii) **Overview & Scrutiny Committee**
Meeting held on 15th January 2013 15
- Unstarred Minute to agree**
Members are recommended to agree:
- O&S 31(i) Two Committee Structure**
RESOLVED to **RECOMMEND** to Council that:
1. the current pilot (due to end in May 2013) be extended until the full Council meeting in December 2013; and
 2. with immediate effect, the Chairmen and Vice-Chairmen of the Resources Committee and Community Services Committee consider revising current working arrangements to ensure that the workload, particularly within the Community Services Committee, be more evenly spread amongst its Committee Members, including clarifying the roles of Lead Members, Champions and Working Groups.
- O&S 31(ii) Member IT Provision**
RESOLVED to **RECOMMEND** to Council that the draft Member IT provision policy (as attached at appendix B) be adopted.
- (iv) **Planning & Licensing Committee**
Meeting held on 8th January 2013 21
- (v) **Resources Committee**
Meeting held on 29th January 2013 25
- Unstarred Minutes to agree**
Members are recommended to agree:
(See next page)

**RC 35 Capital Programme 2013/2014 and
RC 37 Revenue Budget for 2013/2014**

Minute Nos. RC 35 and RC 37 will be noted, but no recommendations accepted at this stage as they would be addressed as part of the wider budget setting discussions at Agendum 10.

10. To receive the report of the Chief Accountant on the Capital Programme for 2013/2014 30
11. To receive the report of the Head of Finance & Audit on the Revenue Budget for 2013/2014 36
12. To receive the report of the Head of Planning, Economy & Community on the Planning Issues relating to the former Focus DIY Store, Tavistock Retail Park, Plymouth Road, Tavistock 61
13. 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 27th November 2012 to 30th January 2013. 67

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 for the undermentioned item of business on the grounds that exempt information may be disclosed as defined in Part I of Schedule 12(A) to the Act.”

Dated this 4th day of February 2013



Chief Executive

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WEST DEVON BOROUGH COUNCIL

NAME OF COMMITTEE	COUNCIL
DATE	12 February 2013
REPORT TITLE	Capital Programme 2013/2014
Report of	Chief Accountant
WARDS AFFECTED	All

Summary of report:

To ask Members to approve the 2013/2014 Capital Programme.

Financial implications:

The Council has severely limited resources, in the form of capital receipts, to fund Capital Projects in 2013/2014. The report sets out Capital Bids to the 2013/2014 Capital Programme totalling £741,000 and a suggested way that these Bids can be funded.

RECOMMENDATIONS:

Members are requested to approve:

- (i) The budget for the 2013/2014 Capital Programme totalling £741,000, as shown in Section 2.1.
- (ii) The proposed method of funding these Bids as set out in Section 2.2

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. At the Resources Committee on 29th January it was resolved that Council be recommended that:

- (i) The budget for the 2013/2014 Capital Programme totalling £741,000 as shown in Section 2.1 of the presented report be approved; and
- (ii) The proposed method of funding the Bids as set out in Section 2.2 of the presented report be approved.

2. CAPITAL PROGRAMME 2013/14

2.1 The table below shows the proposed Capital Programme for 2013/14.

	2013/14 (£)
Tenants Incentive Scheme (TIS)	15,000
Village Halls and Community Projects	36,000
Leisure Centres – annual allocation	40,000
Affordable Housing	200,000
Disabled Facilities Grants	450,000
Total	741,000

2.2 The proposed funding solution for the Capital Programme for 2013/14 is shown below:-

(This links to the Revenue Budget report for 2013/2014 which is also on this Council agenda, regarding New Homes Bonus funding).

Potential funding solution	2013/14 (£)
Government Grant funding towards Disabled Facilities Grants	170,000
Funding of Housing Capital Projects from New Homes Bonus (NHB) (Funding Tenants Incentive Scheme, Affordable Housing and Disabled Facilities Grants from NHB)	495,000
Funding Village Halls and Community Projects from New Homes Bonus	36,000
Capital Receipts (to fund the Leisure Centres annual allocation)	40,000
Total	741,000

2.3 The 2012/13 Capital Programme monitoring report highlights that budgets will be closely monitored in the final quarter of 2012/13 with a view to establishing whether any unspent resources can be released back into general capital funds and applied to the capital programme for 2013/14. This would mean that less New Homes Bonus would be required for the capital programme and this could be released for other purposes as set out in the New Homes Bonus Strategy as well as for Invest to Save projects aimed at closing the medium term revenue budget gap.

3. CAPITAL BIDS 2013/2014

3.1 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 bid is for £15,000 for 2013/14.

3.2 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. A capital bid is made of £18,000.

3.3 Community Project Grant Scheme

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.

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. A capital bid is made of £18,000.

3.4 Leisure Centres – annual allocation

A capital budget of £40,000 per annum will be built into the Capital Programme for Leisure Centres for larger life cycle items

3.5 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 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, 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 repaid grant moneys from DFGs are recycled into the budget for future use.

3.6 Affordable Housing

Funding affordable housing in the current climate is particularly challenging. Following the Comprehensive Spending Review in 2010, funding from the Homes and Communities Agency (HCA) reduced by over 50%. The majority of the HCA's budget to 2015 has been fully allocated and funding beyond 2015 is uncertain. In response to the challenging funding climate, the Council are developing new approaches which reduce the reliance on HCA grant.

However many schemes, particularly those in rural areas, will continue to require funding. The proposed bid to the Capital Programme 2013/14 for £200,000 will assist the delivery of affordable homes in future years. If this funding for 2013/14 is approved this would equate to a total capital budget of £350,000 with the current capital budget for 12/13. This would then allow sufficient funding for Officers to generate financially viable schemes.

It is recommended that the Council sets a budget of £200,000 from capital (funded by New Homes Bonus) for Affordable Housing.

4. LEGAL IMPLICATIONS

- 4.1 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 the Resources Committee. As per 3.14 of the Rules, the Head of Finance and Audit is responsible for ensuring that a Capital Programme is prepared on an annual basis for submission to Council.

5. FINANCIAL IMPLICATIONS

- 5.1 The financial implications are set out in the report. The annual bids within the Capital Programme for 2013/14 require funding of £741,000 as shown in section 2.2.

6. 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:	20 November 2012 – Resources Committee – Revenue Budget 2013/14 29 th January 2013 – Resources Committee – Capital Programme 2013/2014 and Capital Monitoring 2012/13
Appendices attached:	None

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NAME OF COMMITTEE	Council
DATE	12 February 2013
REPORT TITLE	Revenue Budget for 2013-2014
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 2013-14 and a set of recommendations to Council in respect of setting a balanced budget. The forecast is intended to provide a framework within which decisions can be made regarding future service provision and council tax levels.

The recommendations set out in this report were agreed by the Resources Committee at a meeting on 29 January 2013.

The main points arising from this report are:

- The gap for 2013/14 is £355,000
- The Government settlement was more painful than anticipated. Its effect is that over the next four years we need to find £2m saving on a £7.5m budget
- 2014/15 looks particularly challenging with a £728,000 gap
- Government grant will have been cut by 40% over the life of the coalition to 2014/15
- Government is providing us with £640,000 less than their own assessment of our needs. The damping mechanism applied means WDBC is the third worst affected across 201 District Councils
- We lost £38,000 due to damping in 2012/13 compared to £640,000 in 2013/14
- Unearmarked revenue reserves needs to be maintained over £750,000. We will be close to that figure by the year end
- Following a debate at Resources Committee, a small number of changes were made to balance the revenue budget. These changes are set out in 6.10 and appendix G of this report

- In order to balance the budget for 2013/14 it is proposed to:
 - secure savings of £173,310 on top of those already identified (see Appendix G)
 - increase Council Tax by 1.9% (7p per week at Band D)
 - flag up potential areas for saving in 2014/15 to enable early warning and detailed work to commence immediately
 - use a significantly larger proportion of New Homes Bonus to bridge the budget gap
 - establish an earmarked Invest to Save reserve from any remaining New Homes Bonus

RECOMMENDATIONS:

Members are requested to approve:

- (i) That in order to set a balanced budget for 2013-14:
 - the proposed savings of £173,310 set out in Appendix G are adopted.
 - an increase in Council Tax of 1.9% (which equates to a Band D council tax of £200.69) is set which will raise an additional £28,818 over and above the Council Tax Freeze Grant level of £41,946 (see para. 4.6) – this equates to a Council Tax requirement of £3,797,213
 - an additional £153,076 of the New Homes Bonus Grant (on top of £200,000 already built in to budget assumptions) is used.
- (ii) That the financial pressures in Appendix A of £435,930 are accepted
- (iii) To agree the schedule of savings identified in Appendix A, totalling £131,000
- (iv) To use £531,000 of New Homes Bonus funding from 2013-2014 to fund the 2013-2014 Capital Programme as per Section 6.5 (There is a separate report on this agenda regarding the 2013-14 Capital Programme)
- (v) That the minimum level of the Unearmarked Revenue Reserves be maintained to £750,000 as per Section 7.2
- (vi) That the level of reserves as set out within this report and the assessment of their adequacy and the robustness of budget estimates be noted. This is a requirement of Part 2 of the Local Government Act 2003.
- (vii) To allocate £77,292 of the New Homes Bonus funding from 2012-13 (which currently remains unallocated) to an Invest to Save Earmarked Reserve as per 6.3.

Officer contact:

Dan Bates, Head of Finance 01822 813644 dbates@westdevon.gov.uk
 Carolyn Haynes, Chief Revenue Accountant 01822 813643
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1. BACKGROUND

1.1 On 18 September 2012, the Resources Committee considered a report on the Medium Term Financial Strategy for 2013/14 to 2016/17 and 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 unearmarked revenue reserves of £750,000
- That the Senior Management Team is tasked with identifying options for savings necessary to balance the 2013/14 budget.

1.2 The Medium Term Financial Strategy (MTFS) provides a financial framework for the Council's strategic planning and decision making. The MTFS 2013/17 incorporates key factors such as the Government's Comprehensive Spending Review, our spending plans and the level of savings that are likely to be needed to keep Council Tax affordable. By anticipating financial pressures now, we can plan ahead early to meet the significant challenges in a way that ensures financial resources are targeted to the Council's highest priorities and the minimum impact on services.

2 GOVERNMENT FUNDING

2.1 Our Government Grant was reduced by 27% over the two years 2011/12 and 2012/13. In 2012/13, our Government Grant reduced from £3.408 million (Adjusted figure) to £2.975 million – a reduction of £430,000. The council tax freeze grant for 2010/11 of £100,162 is now included within the Formula Grant for 2012/13 onwards. Therefore the Formula Grant figure for 2012/13 was £3,074,762.

2.2 The Finance Settlement (December 2012) has announced the following provisional funding position for the Council for 2013/14 and 2014/15 (figures will be confirmed by around the end of January 2013 by the Government):-

	2012/13	2013/14	% change	2014/15	% change
Funding from Localised Business Rates (new system introduced 1 st April 2013) and Revenue Support Grant	3,074,762	3,000,923	-2.4%	2,542,032	-15.29%
Council Tax Support Funding	554,019	553,196		553,196	
Homelessness Prevention Funding	50,000	50,000		50,000	
Start Up Funding Allocation (SUFA)	3,678,781	3,604,119	-2.03%	3,145,228	-12.73%

- 2.3 Therefore in addition to the 27% reduction in funding in the two years 2011/12 and 2012/13, there will be a further 17% of funding reductions in the next two years, 2013/14 and 2014/15 resulting in a 40% reduction in funding since the cuts began.
- 2.4 The Government quotes the figures in terms of SUFA (Start Up Funding Allocation). In 2014/15 the specific grants for Council Tax Support Funding and Homelessness Prevention Funding are rolled into the main funding stream and not separately identified. For presentation purposes, as an assumption of the funding being at the same level in 2014/15 has been shown below. However in reality a decision will need to be made in 2014/15 about how much of the main funding will be allocated to Council Tax Support Funding and Homelessness Prevention Funding.
- 2.5 Floors and damping are still in operation in this Finance settlement. The cost of guaranteeing a maximum decrease in grant for some Councils continues to be paid for by the scaling back, known as the “damping effect”, of the grant levels of Councils above the floor level. West Devon has lost £640,049 in the grant funding system due to the effect of ‘damping’. Only two other districts of 201 have been hit more severely by damping.
- 2.6 The average spending power per head nationally is £2,240; the spending power per head in West Devon is £2,089. Of the £2,240 spending power on average in England, 46% of this comes from the Council Tax payer. In West Devon 57% comes from the Council Tax payer, such is the lower level of Government funding for Devon.

3. BUDGET UPDATE 2013-14 - PRESSURES AND OVERALL FINANCIAL FORECAST

- 3.1 This report highlights progress made to date on the Revenue Budget for 2013-14. Appendices A and B illustrate the financial impact of the budget pressures on the Council’s financial position for the four years to 2016/17. The main considerations included in the appendices are as follows:
- 3.2 **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 £60,000 for 2013/14 has been built in so that the Council can remain on track with this target.
- 3.3 **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 November 2012 was 2.7% (unchanged from the previous month). The Retail Price Index was 3%, down 0.2% from the previous month. A budget pressure of £50,000 has been included within Appendix A to allow for inflation on expenditure. Additionally, an inflationary provision has been built in for the Council’s main outsourced contracts (eg, waste and recycling).

- 3.4 **Housing and Council Tax Benefit Administration Grant** – A budget pressure of £15,000 has been included for the reduction in Housing Benefit administration subsidy.
- 3.5 **Pay Inflation** For budgeting purposes, the Council has modelled a 1% pay offer for 2013/14. Some staff will go up to the next incremental grade within the year. A budget pressure of £75,000 has been included in Appendix A.
- 3.6 **Leisure Centre Repairs and Maintenance** – An allowance of £30,000 has been included to account for the additional costs of maintaining the pools.
- 3.7 **Council Tax Benefit Changes** –The new Council scheme for the Localisation of Council Tax Benefit was reported to Members at the Resources Committee on the 20th November 2012. This scheme means that existing council tax benefit claimants will not be affected by the changes in 2013/14. However, the Council's tax base will be reduced as existing claimants are taken out of tax base calculations.

BUDGET SAVINGS & INCOME GENERATION IDENTIFIED

- 3.8 A schedule of savings and potential income generation can be found in Appendix A.
- 3.9 **Estate Management** –The Council will receive an increase in income of £10,000 from estate management income.
- 3.10 **Planning fee income** – The Government has introduced a 15% increase in planning fees, which is predicted to lead to a £30,000 increase in fee income.
- 3.11 **Audit Fees** – There is a saving of £15,000 on audit fees due to the national re-tendering of external audit contracts.
- 3.12 **Information and Communications Technology (ICT)** – A saving of £22,000 has been realised from a review and reduction of all maintenance contracts.
- 3.13 **Shared services savings** – Since 2007, West Devon Borough Council has saved £2.15 million from shared services with South Hams and annual savings for West Devon Borough Council are now in excess of £600,000. Further savings of £50,000 have been built into the 2013/14 budget and whilst this target is ambitious, it is achievable.
- 3.14 **Tourist Information Centre (TIC) savings** – The TICs have made savings equating to £15,000 for 2013-14.

4. COUNCIL TAX IMPLICATIONS FOR 2013-14

- 4.1 On 8 October 2012, the Government announced that it will use £450 million of central funding to offer a council tax freeze grant for 2013-2014. The grant is the equivalent of raising the 2012-13 council tax by one per cent. A one percent

increase in council tax equates to approximately £37,000 for West Devon Borough Council.

- 4.2 The council tax freeze grant funding will be given to Councils as a grant for two years (2013/14 and 2014/15). This would be £41,946.
- 4.3 If the Council seeks to raise council tax by more than 2% in 2013-14, there would be a local referendum and local people would have the right to keep council tax bills down through a binding referendum veto.
- 4.4 The Government has set out its Council Tax Referendum Principles for local authorities and have confirmed that Town and Parish Councils will not be affected by these in 2013-14. However, within the Finance Settlement there is a statement from the Government that this issue will be re-visited in the 2014-15 finance settlement if Town and Parish Councils have chosen not to show financial restraint when setting their 2013-14 precepts. An exception has been made for those shire districts, Police & Crime Commissioners and fire and rescue authorities whose council tax in 2012-13 was in the lower quartile of their category of authority. This doesn't apply for West Devon Borough Council
- 4.5 The advantage of accepting the freeze grant is that the council tax proportion set by West Devon Borough Council (currently £196.95 per Band D property) will be frozen for residents in 2013-14. 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 after 2014-15, due to not increasing the council tax in 2013-14.
- 4.6 The Council could increase Council Tax up by 1.9% (the Band D Council Tax for West Devon Borough Council would be £200.69 for 2013-14, an increase of £3.74 per year or 7.2 pence per week). This would generate additional income of £28,818 (over and above the freeze grant offered of £41,946) as shown in the table below and this funding would be permanently built into the base budget - unlike the Council Tax Freeze Grant that the government are offering in Section 4.2. For a full breakdown of the current council tax collected and a history of the percentage rises in council tax please see Appendix C.

Council Tax base for 2013/14 (band D equivalent properties)	18,920.79
Multiplied by 1.9% on £196.95	£3.74
Equals Additional Council Tax	£70,764
But Council would lose Freeze Grant of	(£41,946)
So additional funding arising from opting for Council Tax increase and rejecting Freeze Grant	£28,818

5. OVERALL POSITION – BUDGET GAP

- 5.1 Appendix B illustrates the overall financial forecast for the forthcoming four years. Although the Council's Net Budget is in the region of £7.5 million, the Gross Expenditure of the Council is around £28 million.

- 5.2 The report sets out an anticipated budget gap for 2013-2014 of **£355,204** as per Appendix B, in order to produce a balanced budget. A Summary forecast is shown below of the potential budget situation if all of the budget pressures and the savings and income generation in Appendix A were approved.

	Amount (£)
Net Base Budget for 2012/2013	7,529,105
Add budget pressures – as per Appendix A	435,930
Less savings and income generation – as per Appendix A	(131,000)
Council Tax Support (payment to Parishes) and Homelessness Prevention	169,453
Total Net Base Budget for 2013/14 (A)	8,003,488

- 5.3 The funding available, modelling a Nil increase in Council Tax (for illustration purposes only) for 2013/2014 is as follows:-

Funding available:	Amount (£)
Localised Business Rates and Revenue Support Grant	3,000,923
Collection Fund Surplus	75,769
Income from Council Tax Modelling a Nil increase in council tax for 2013-14 for illustration (The current Band D Council Tax is £196.95 for 2012-13) Tax Base = 18,920.79 (band D equivalents)	3,726,450
Council Tax Freeze Grant –(for illustration purposes only)	41,946
Funding from New Homes Bonus (see Section 6.5)	200,000
Specific Grants – Council Tax Support and Homelessness	603,196
Total funding available for 2013/14 (B)	7,648,284
CURRENT BUDGET GAP (A – B)	355,204

- 5.4 The table above sets out an **anticipated budget gap for 2013-2014 of £355,204.**
- 5.5 In setting the budget for 2013/14, Members should take account of the significant gap that remains for future years as set out in Appendix B. The decisions made this year will impact on the size of this gap.

6. OTHER BUDGET CONSIDERATIONS

- 6.1 **New Homes Bonus Strategy** – On the 20th November 2012, the Resources Committee considered a report on the New Homes Bonus Strategy.
- 6.2 Members agreed in principle to use the New Homes Bonus (NHB) for the following:
- To finance housing capital projects
 - Supporting frontline services and minimising Council Tax increases
 - Community re-investment projects
 - Community grants and projects
 - A provision for a share of the New Homes Bonus for the Dartmoor National Park
- 6.3 It is also recommended to allocate £77,292 of the New Homes Bonus funding from 2012-13 (which currently remains unallocated) to an Invest to Save Earmarked Reserve for future 'Invest to Save' projects (such as Agile working).
- 6.4 Following the unexpectedly severe Formula Grant Settlement, it is suggested that any surplus New Homes Bonus in 2013/14 might similarly be applied to 'Invest to Save' projects which will promote further budgetary savings in the longer term.
- 6.5 The Council's allocation of New Homes Bonus funding is **£1,025,797** for 2013-14 (an increase of £133,255 on the funding for 2012-13). Of this amount £200,000 is currently funding the revenue base budget. The separate report on this agenda for the Capital Programme is recommending that £495,000 is used to fund housing capital projects and £36,000 is used to fund Village Halls and Community Projects.

New Homes Bonus	Amount (£)
Allocation for 2013-14	£1,025,797
Recommended to be used to finance housing capital projects (see Capital Programme report on this agenda)	(£495,000)
Recommended to be used to fund Village Halls and Community Projects (see Capital Programme report)	(£36,000)
Current funding of the revenue base budget	(£200,000)
Provision for Dartmoor National Park	(£80,000)
Balance remaining	£214,797
Additional funding of revenue base budget if report recommendation is adopted (Appendix G)	(£153,076)
Balance remaining	£61,721

- 6.6 It is expected that Dartmoor National Park will make a request for a share of the New Homes Bonus to reflect new homes delivered within the park. Last year, this share was £40,250. The above table includes a provision of £80,000 but an alternative methodology for sharing the grant with Dartmoor National Park is being investigated. Under this method, all the money would be retained by West Devon Borough Council but the National Park would be invited to submit bids for projects that provide community 'added value' to be funded from retained New Homes Bonus. At this stage, whichever method is used it is prudent to provide for £80,000 in respect of the National Park.
- 6.7 **Pooling Arrangements for Business Rates** – Detailed information on the proposed pooling arrangements for Business Rates were discussed in the Financial Strategy. All Devon authorities are signed up to the proposal for pooling arrangements and Plymouth will be the lead authority. No additional income from the pooling arrangements has yet been factored into the budget report although modelling shows that the potential gain from the pooling arrangements for West Devon could be in the region of £29,000 for 2013-2014.

SUMMARY OF OPTIONS TO CLOSE THE BUDGET GAP

- 6.8 A Budget Choices event was held for Members on the 11th December 2012. Members were asked to vote on a number of proposed budget savings and the results of this exercise are available as Appendix D.
- 6.9 Following on from the Budget Choices event, Heads of Service undertook further work to refine some of the options and introduce a further three options. These were considered at a meeting of Chairs and Vice Chairs on 15 January 2013. At this meeting, Chairs and Vice Chairs expressed a preferred option for balancing the budget. This option, which includes a 1.9% increase in Council Tax, formed a recommendation to Resources Committee.
- 6.10 The Resources Committee debated the recommendation and made the following amendments:
- To reinstate to original budget the previously identified savings in respect of Arts Grants (£5,300) and Villages in Action (£8,250)
 - To generate a further £15,000 of savings from the Tourist Information Centres (this is in addition to £15,000 of savings already generated bringing the total budgetary savings to £30,000)

Appendix G shows the impact of these changes and this forms the recommendation in this report.

- 6.11 There are a number of areas of potential savings where it is felt that more work will be required to ensure that savings can be realised in the medium term. Members have indicated a willingness to consider the savings but recognise that further analysis is required to understand the impact on services, manage the process of reducing the budget and give maximum notice to individuals and organisations directly affected by budgetary decisions made. Appendix G includes a column headed 'future consideration' which shows potential savings

which have been deferred to 2014/15 so that further work can be carried out over the next year.

- 6.12 Section 9 of this report provides a brief overview of the budget strategy beyond 2013/14 which takes account of significant Formula Grant cuts for 2014/15. It is important, therefore, that Members and Officers work collectively and urgently on further initiatives and ideas for making further budget savings alongside the Council's Transformation 2015 programme.
- 6.13 We have been consulting with all stakeholders including town and parish councils, the business community and the general public on expenditure priorities. From the end of November, a budget consultation survey was circulated to all households in West Devon in the Connect magazine and this was also available on the Council's website by clicking onto westdevon.gov.uk/budgetconsultation. The feedback from the consultation exercise is attached as Appendix H. We received just over 200 responses and the key messages from those who responded are consistent with the recommendation in this report with the exception of rural outreach which was the area which had the highest number of respondents prepared to see a reduction in service.

7. EARMARKED AND UNEARMARKED RESERVES

- 7.1 **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 was attached to the Council's Financial Strategy considered at the September 2012 meeting.
- 7.2 **Unearmarked Revenue Reserve** – The Council's policy is to retain Unearmarked Revenue Reserves of around 10% of net operating expenditure. The Council's net operating expenditure is £7.5 million for 2012/13 so this would be £750,000.

The Unearmarked General Fund Revenue Reserve balance at 31st March 2012 was £946,000 as per the Final Accounts for 2011-12. However, there are current commitments against this balance as shown below:-

	Amount (£)
Unearmarked General Fund Revenue Reserve balance as at 31 March 2012	946,000
Commitment for legal fees (provision)	(50,000)
Report to Council on the 2 October 2012 where Members agreed to the use of Unearmarked General Fund Revenue Reserves to meet peak demands for services in 2012-13	(70,000)
Projected overspend on the budget for 2012-13 (See budget monitoring report on this Resources Committee agenda)	(45,000)
Uncommitted level of Unearmarked Revenue Reserve balance remaining	781,000

8. CAPITAL PROGRAMME FOR 2013/14

8.1 There is a separate report on this Council agenda which sets out the Capital Programme for 2013-14 and a proposed funding solution.

9 STRATEGY TO CLOSE THE BUDGET GAP

9.1 Appendix B clearly demonstrates 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

We will need to aggressively pursue this strategy in order to close the projected budget gaps which are set out below.

9.2 The projected budget gaps for 2013/14 to 2016/17 as shown in Appendix B are:-

Year	Original Gap per section 5	Gap if recommendation is agreed
2013/14	£355,204	£0
2014/15	£728,812	£728,626
2015/16	£496,461	£454,329
2016/17	£423,858	£423,671
Total	£2,004,335	£1,606,626
Cumulative Budget Gap	£5,024,032	£3,518,207

10. NEXT STEPS

10.1 **Budget Timetable** - A timetable is set out in Appendix F for the budget setting process. This report sets out a clear recommendation to Council in respect of a balanced budget for 2013/14.

10.2 **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.

10.3 **Financial Strategy assumptions** – These will be kept under review over the coming months and any new information will be amended in the forecast.

11. LEGAL IMPLICATIONS

- 11.1 In accordance with the Council's Delegation Scheme, the Resources Committee is responsible for recommending to Council the budgetary framework. The Council is required to adopt the revenue budget.

12. FINANCIAL IMPLICATIONS

- 12.1 The financial implications are as set out within this report.

13. OTHER CONSIDERATIONS

Corporate priorities:	All
Statutory powers:	Local Government Act 1972, Section 151 and 2003
Considerations of equality and human rights:	A 360 degree assessment of the equality implications has been carried out and is available on 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:	Resources Committee September 2012 - Medium Term Financial Strategy 2013/14 to 2016/17, Resources Committee November 2012 – Revenue Budget Update Report 2013-14, New Homes Bonus Strategy, Council Tax Support
Appendices attached:	Appendix A – Budget Bids and Savings Identified Appendix B - Modelling of the Financial Strategy Appendix C – Council Tax History Appendix D – Results from Budget Choices Event Appendix E - Further information on Budget Savings Appendix F - Budget Timetable Appendix G – Schedule showing proposal for meeting budget gap (as per recommendation 1) Appendix H – Public consultation results

STRATEGIC RISKS TEMPLATE

No	Risk Title	Risk/Opportunity Description	Inherent risk status				Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel			
1	Robustness of medium term financial strategy and service blue-prints	Not achieving financial savings as anticipated	5+	3	15	↔	Corporate engagement in the development of the medium term financial strategy.	H of Finance & Audit
		External change to the national economic environment which may impact on our funding expectations.					Service commitment to business planning processes.	Corporate Director (TW)
		Implications of changes to the funding of local government through locally collected business rates and revenue support grant. Effect of the localisation of council tax.					Robust horizon scanning to monitor changes in Government policy.	Corporate Director (AR)
		Achieving anticipated income targets in the current financial climate.					The Council responded to the consultation on the localisation of business rates and will carry out regular monitoring during the financial year to ascertain the effect of the new scheme on the Council's finances. (see Risk No. 2 below)	H of F&A
2	Income from Business Rates	The figures for income from Business Rates are best estimates at this date (the NNDR1 return	5	3	15	↔	The position will be monitored by the Head of Finance and Audit.	H of F&A
							The quarterly Revenue Budget	

No	Risk Title	Risk/Opportunity Description	Inherent risk status				Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel			
		<p>forecasts Business Rates for the forthcoming year). Predictions could vary by £100,000. The figures are subject to volatility both from business rating appeals and from the economic climate. It is understood that a number of city based local authorities have threatened a Judicial Review in respect of the appeals allowance built into the localised business rates system. A successful Judicial Review might impact unfavourably on West Devon's localised rates position and the amount that is retained locally.</p>					<p>Monitoring reports will monitor Business Rates income against projections. Any variances will be highlighted to Members at an early stage.</p> <p>The Council is part of a Devonwide Pooling arrangement for business rates and the anticipated gains from pooling of £29,000 have not been built in the base budget funding as this income is not guaranteed.</p>	
3	Setting a lawful budget	Failure of the Council to set a lawful budget	5	1	5	↔	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	Head of Finance and Audit

No	Risk Title	Risk/Opportunity Description	Inherent risk status				Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel			
							adequacy of the Council's reserves and the robustness of the estimates made. The budget process is laid down in the Council's Constitution. Resources Committee and Council meetings are timetabled to meet the Statutory deadlines for setting the Council Tax.	
4	Corporate Priorities	Failure to target budgets to service priorities	5	3	15	↔	<p>Service priorities will be reviewed and reduced.</p> <p>Budget reductions include a section on their impact on council priorities and a risk assessment. The budget is subjected to extensive consultation with all Members, the public and the business community. Adequate levels of appropriately trained staff. Thorough planning and monthly monitoring of performance to management, quarterly to the Resources Committee.</p>	Head of Finance and Audit

Direction of travel symbols ↓ ↑ ↔

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BUDGET PRESSURES AND SAVINGS

APPENDIX A

WEST DEVON BOROUGH COUNCIL

	Yr1 2013/14 £	Yr2 2014/15 £	Yr3 2015/16 £	Yr4 2016/17 £
BUDGET PRESSURES				
Triennial Pension revaluation - new contribution rates from April 2014	0	40,000	40,000	40,000
Inflation on the waste collection, recycling and cleansing contract (estimate)	40,000	40,000	40,000	40,000
Inflation on the swimming pool contract (profiled fee)	30,000	15,000		
Inflation on goods and services	50,000	60,000	60,000	60,000
Reduction in Housing Benefit administration subsidy	15,000	15,000	15,000	15,000
Increase in salaries - increments and pay inflation modelled	75,000	75,000	75,000	75,000
Actuarial strain payments	60,000	40,000	40,000	40,000
Leisure Centres - increase in the provision for repairs and maintenance	30,000			
Subsidy changes from the replacement of Council Tax Benefit with Council Tax Support	45,930			
Reduction in investment income	20,000			
Reduction in car parking income	30,000			
Contingency budget	25,000			
Tamar Valley Mining Heritage Project Legacy Plan	15,000			
TOTAL IDENTIFIED BUDGET PRESSURES	435,930	285,000	270,000	270,000
SAVINGS AND INCOME GENERATION IDENTIFIED				
Additional income from estate management	10,000			
Additional planning fee income	30,000			
IT savings - software, maintenance & licensing	22,000			
Grounds Maintenance saving	15,000			
Savings on TIC	15,000			
Savings on audit fees	15,000			
Reduction in provision for Tamar Valley Mining Heritage Project Legacy Plan	0	6,000	9,000	
Other small savings identified	24,000			
TOTAL SAVINGS AND INCOME GENERATION	131,000	6,000	9,000	0

Although the difference between the budget pressures and the savings identified above only amount to £304,930 in 2013/14 (£435,930 less £131,000), when the reduction in Government Grant funding of around £74,000 is also factored in and other changes in funding, this increases the budget gap in 2013/14 to £355,204 as per Appendix B.

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FINANCIAL STRATEGY

APPENDIX B

Line No.	Base 2012/13 £	Yr1 2013/14 £	Yr1 2013/14 £	Yr2 2014/15 £	Yr3 2015/16 £	Yr4 2016/17 £	
1 Base budget brought forward (line 10)	7,529,105	7,529,105	7,529,105	7,830,178	7,380,552	7,187,223	
2 Budget pressures (as per Appendix A)		435,930	435,930	285,000	270,000	270,000	
3 Savings already identified (as per Appendix A)		(131,000)	(131,000)	(6,000)	(9,000)	0	
Council Tax Support - Parish element		119,453	119,453				
Homelessness Prevention - funded by a specific grant		50,000	50,000				
Further Savings Identified (as per Appendix G)			(173,310)				
4 Projected Net Expenditure:	7,529,105	8,003,488	7,830,178	8,109,178	7,641,552	7,457,223	
5 Government Formula Grant	3,074,762						
6 Localised Business Rates and Revenue Support Grant		3,000,923	3,000,923	2,542,032	2,338,669	2,174,963	
7 Council Tax income - No council tax increase has yet been modelled in for future years - a 50 Band D Equivalent increase in taxbase has been modelled in for future years	4,139,769	3,726,450	3,726,450	3,807,248	3,817,282	3,827,317	
8 1.9% Council Tax increase in 2013/14 as per recommendation			70,764				
8 Council Tax Freeze Grant for freezing council tax in 2013-14		41,946					
9 Collection Fund surplus	114,574	75,769	75,769	75,000	75,000	75,000	
Funding from New Homes Bonus	200,000	200,000	353,076	353,076	353,076	353,076	
Specific Grant - Council Tax Support Grant		553,196	553,196	553,196	553,196	553,196	
Specific Grant - Homelessness Prevention Funding		50,000	50,000	50,000	50,000	50,000	
10 Total Projected Income	7,529,105	7,648,284	7,830,178	7,380,552	7,187,223	7,033,552	
Budget gap per year							
11 (Projected Expenditure line 4 - Projected Income line 10)	0	355,204	0	728,626	454,329	423,671	
Cumulative Budget Gap if savings are not met each year assuming budget balanced as per recommendation (cumulative budget gap would total £3.52m over 4 years)				0	728,626	1,182,955	1,606,626
Cumulative Budget Gap if savings are not met each year assuming budget gap of £355,204 is not closed (cumulative budget gap would total £5.02m over 4 years)		355,204			1,084,016	1,580,477	2,004,335

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West Devon Borough Council - Council Tax History

Precepting Authority	Band D Council Tax for 2012-13 (£)	% Increase from 2011-2012
Devon County Council	1,116.36 (69.7%)	0%
West Devon Borough Council	196.95 (12.3%)	2.50%
Police	159.73 (10%)	2%
Fire	73.92 (4.6%)	3%
Average Town & Parish Council	54.24 (3.4%)	14.77%
TOTAL	1,601.20 (100%)	1.08%

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
2001/02	124.26	8.8%
2002/03	134.20	8.0%
2003/04	137.69	2.6%
2004/05	150.70	9.4%
2005/06	158.14	4.9%
2006/07	165.89	4.9%
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
2012/13	196.95	2.5%

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WEST DEVON BOROUGH COUNCIL - BUDGET CHOICE EVENT 11TH DECEMBER 2012

Question Slide No.	Description of Service	Either £	Or £	Majority Preference				Overall Preference (A - D)	Cost Saving £
				A %	B %	C %	D %		
1	Close the TIC's	-50,000	-50,000	19	24	24	33	D	0
2	Cease Economy Service	-115,000		19	29	14	38	D	0
3	Reduce Economy Service		-20,000	36	27	27	9	A	-20,000
4	Cease Non-Statutory Localism Work	-13,000	-13,000	36	32	5	27	A	-13,000
5	Cease Community Engagement Activities	-25,000		27	27	14	32	D	0
6	Reduce Community Engagement Activities		-15,000	59	27	5	9	A	-15,000
7	Cease all work on Connect	-6,500	-6,500	27	36	32	5	B	TBA
8	Cease admin for Community Projects, Village Halls etc	-8,500	-8,500	27	23	14	36	D	0
9	Cease all non-statutory children & young people's work	-5,500	-5,500	27	0	18	55	D	0
10	Cease the provision of Public Toilets	-69,000	-69,000	17	9	26	48	D	0
11	Allow traders to use Council car parking land	-2,000	-2,000	74	9	0	17	A	-2,000
12	Cease the provision of recycling education	-20,000	-20,000	30	13	17	39	D	0
13	Cease the provision of free Giro Payment facilities to customers	-18,000	-18,000	52	9	9	30	A	-18,000
14	Cease the Connect outreach work including drop in sessions	-43,000	-43,000	13	22	22	43	D	0
15	Reduce the Countryside & Community service	-17,000	-17,000	39	17	26	17	A	-17,000
16	Reduce Sports Development Service by 0.7 FTE	-22,000		26	9	30	35	D	0
17	Reduce Sports Development Service by 0.35 FTE		-11,000	36	18	23	23	A	-11,000
18	Phase out the Essential User Allowance over 1 year	-49,000		65	17	17	0	A	-49,000
19	Phase out the Essential User Allowance over 3 years		-16,000	61	9	9	22	A	0
20	Reduce the mileage rates to HMRC allowed limits	-13,000	-13,000	78	13	0	9	A	-13,000
Sub Total		-476,500	-327,500	768	370	332	527		-158,000
21	Cease to provide Economic Development Grants (£20,500)	-20,500	-20,500	41	9	9	41	A/D *	-10,250
22	Cease to provide contribution to Tamar Valley Line (£2,300)	-2,300	-2,300	65	17	13	4	A	-2,300
23	Cease to provide Arts Grants (£5,300)	-5,300	-5,300	52	22	22	4	A	-5,300
24	Cease to provide Sports Grants (£8,100)	-8,100	-8,100	22	17	26	35	D	0
25	Reduce funding to CAB by 50% (£16,450)	-16,450	-16,450	13	8	8	71	D	0
26	Reduce funding to WDCVS by 50% (£4,250)	-4,250	-4,250	39	22	13	26	A	-4,250
27	Cease TAP funding (£5,000)	-5,000	-5,000	25	8	13	54	D	0
28	Reduce funding to west Devon Youth Project by 50% (£3,750)	-3,750	-3,750	21	13	8	58	D	0
29	Cease funding to Dartmoor Rescue Group (£1,000)	-1,000	-1,000	38	4	4	54	D	0
30	Cease the support to Parishes for Graveyards (£2,600)	-2,600	-2,600	61	13	13	13	A	-2,600
31	Reduce support to Ring & Ride by 50% (£12,000)	-12,000	-12,000	13	13	25	50	D	0
32	Reduce the budget for discretionary relief by 10% (£5,000)	-5,000	-5,000	58	25	8	8	A	-5,000
33	Reduce the budget for hardship relief by 10% (£500)	-500	-500	42	13	25	21	A	-500
Sub Total		-86,750	-86,750	490	184	187	439		-30,200
Grand Total of Savings		-563,250	-414,250	1258	554	519	966		-188,200

Slide No 21 was split A/D - A supplementary question was asked regarding reducing rather than ceasing these grants. An amount of 50% reduction has been shown.

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APPENDIX E

Service	Original Savings as per Budget Choices Event	Impact of Original Proposals	Alternative Savings Proposals	Alternative Savings Description
Countryside Service	£17,000	The loss of any resources would lead to redundancy costs and loss of experienced resources to work on the remaining statutory/contract work. This would then necessitate the recruitment of inexperienced part time staff. A phased planned approach would be a better solution.	£23,600	<p>To retain the existing arrangements for 2013/14 and provide a planned and phased reduction in the Countryside/ Community service over the year but maintain the ongoing arrangements to provide the statutory biodiversity requirement to SHDC, generating income of £10,000 from SHDC for development management obligations.</p> <p>Other reductions from existing contributions to various bodies:-</p> <p>Tamar Valley AONB – Fund the £9,100 contribution from the Biodiversity Earmarked Reserve</p> <p>Devon and Cornwall Rail Partnership & ExeRail – cease the £3,000 contribution</p> <p>Sustrans National Cycle Route – cease grant made of £440.</p> <p>Other small savings within the budget - £1,060</p>

APPENDIX E

Service	Original Savings as per Budget Choices Event	Impact of Original Proposals	Alternative Savings Proposals	Alternative Savings Description
Sports Development Service	£11,000	It would be difficult to reduce the staffing resources for sports whilst retaining the sports grants scheme. Therefore an alternative option has been proposed.	£4,560	To retain the existing arrangements for 2013/14 to meet the resource requirement and prepare for a phased and planned reduction in service over time. Proposed alternative budget savings within Sports Development Service: £4,560 (from removal of sport equipment loan, reduction in grant to OCRA for outreach Active Villages where this is now covered by DCC and a reduction in the sports development initiative).
Economy Service	£20,000	There would be redundancy costs associated with any decision. Review of Economy Delivery Plan will be required to achieve a reduction in service levels (this plan has recently been agreed by the Council, it was developed with the Business Community and could potentially be perceived that the council is reneging on actions and level of service only recently agreed)		

In light of the above Members may wish to further consider the following options:-

SAVINGS OPTION	IMPACT
CLOSURE OF TICs £50,000 (net saving, excluding internal support costs)	There will be redundancy costs associated with a closure. Whilst the TICs are estimated to attract £90,000 into the local economy there is little evidence to suggest that this income will be lost to the local economy without council support of TIC provision Whilst we are seeking to generate further income from the TIC service it is unlikely to be in the region of £50,000 and therefore the service is unlikely to ever be cost neutral
Villages in Action Grant £8,250	May result in the loss of entertainment in local village halls e.g. theatre, comedy nights and music. Leverage is minimal for this budget.

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Appendix F - Budget Timetable

Meeting Date		Purpose
18 September 2012	Resources Committee	To consider the Financial Strategy for 2013-14 onwards
20 November 2012	Resources Committee	Budget Update report Localisation of Council Tax report
26 November 2012	Business Voice event	Business Voice – Consultation on the Budget
26 November – 2 December		Connect magazine distributed to all households containing Budget Survey and website survey
11 December 2012	Council	Decision on Business Rates pooling Decision on Localisation of Council Tax
Late December		The Government will announce the provisional funding position for the Council for 2013-14
29 January 2013	Resources Committee	To consider the Capital and Revenue Budget Setting Process for 2013/14 and future years. Strategy for New Homes Bonus
7 February 2013		Date which Council Procedure Rule 16 applies (see Note 1 below)
12 February 2013	Council	To agree the Revenue and Capital Budgets for 2013/14 and the consequential level of Council Tax proposed for 13/14
26 February 2013	Council	To set the Council Tax for 2013/14
1 st March 2013	Police & Crime Commissioner	The last date by which the Police Precept must be set and agreed by the Police and Crime Commissioner (see Note 2 below)
11 th March 2013		Council must set the budget at the latest by the 11 th March 2013.

Note 1- Council Procedure Rule 16 states that ‘Where a member intends to move a motion or amendment in relation to the Budget, the text of that motion or amendment must be put in writing and submitted to the Chief Executive by 9am on the third working day before the meeting, in order that officers may have sufficient time to consider and advise the Council of the financial implications of any such motion or amendment’. As per the timetable above, this would need to be submitted by 9am on 7th February 2013.

Note 2- There is a risk that an emergency Council meeting will have to be arranged after the 1st March 2013 if the Police Precept has not been agreed by the Police and Crime Commissioner by the 21st February 2013.

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APPENDIX G - Schedule of the Budget Gap, Budget Savings Options and New Homes Bonus

		Budget Choices Day		Resources Committee Recommendation		
				AS PER RECOMMENDATION 1		
Budget Gap		355,204		355,204		
No	Options	Make Savings Y or N	Savings for 2013/14	Make Savings Y or N or Probable	Savings for 2013/14	Future Consideration
	Budget Savings Options :-					
1	Reduce Economy service (see Appendix E)	Y	20,000	P	0	20,000
2	Cease Non-Statutory Localism work	Y	13,000	Y	13,000	
3	Reduce Community Engagement activities	Y	15,000	Y	15,000	
4	Allow traders to use Council car parking land	Y	2,000	Y	2,000	
5	Reduce countryside service (see Appendix E)	Y	23,600	Y	23,600	
6	Reduce sports development (see Appendix E)	Y	4,560	Y	4,560	
7	Essential User Allowance – phase out over 3 years (alternative options are also being worked on and costed)	Y	16,000			
8	Reduce mileage to HMRC mileage rate (45p)	Y	13,000	N	0	
7/8b	Revised scheme for essential allowances and mileage rates	N	0	Y	55,000	
9	Reduce Economic Development Grants	Y	10,250	Y	10,250	
10	Tamar Valley Line discretionary grant	Y	2,300	Y	2,300	
11	Arts Grants	Y	5,300	N	0	
12	CVS	Y	4,250	P	0	8,500
13	Cease Parish grants for graveyards	Y	2,600	Y	2,600	
14	Reduction of 10% in discretionary rate relief budget	Y	5,500	P	0	5,500
15	Additional income from planning pre-application advice	Y	20,000	Y	20,000	
	TOTAL of all options from Budget Choices Event		157,360		148,310	34,000
	Additional Options					
	Budget Savings Options :-					
1	To generate a further £15,000 in income from the TICs	N	0	P	15,000	35,000
2	Villages In Action Grant (see Appendix E)	N	0	N	0	
3	Okehampton BIP			Y	10,000	
	Total Savings Identified		157,360		173,310	69,000
16	Council Tax – if increase council tax by 1.9% from £196.95 to £200.69 – an increase of £3.74 per year or 7 pence per week – this would generate additional income of £28,818 (over and above the freeze grant offered of £41,946)	N	0	Y	28,818	
	Level of New Homes Bonus required to balance the budget		197,844		153,076	
			355,204		355,204	
	New Homes Bonus	Amount (£)				
	Allocation for 2013-14	1,025,797				
	To be used for capital, balance the revenue and Dartmoor NP	-811,000				
	Additional NHB to balance the budget		-197,844		-153,076	
	Balance remaining	214,797	16,953		61,721	

Changes to the original Resources Committee recommendation following debate at the Committee are shown in a dark grey shading

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BUDGET CONSULTATION 2013 - 2014 RESPONSES

The 2013 - 2014 Budget Consultation concentrated on gathering feedback regarding services where budgetary changes were possible and asked respondents to rank the five most important and five least important services provided by the Council from a given list.

The 'Your budget: Your Choice' survey was available online from 30th November 2012 to 4th January 2013 and in hard copy in the West Devon Connect Winter magazine. 201 people responded to the survey, 83% of the completed surveys were from the Connect magazine.

Service Priorities

Residents were asked to look at a list of 16 services and to rank them in order of priority. Details about the current levels of these services were not provided.

The average overall score across the five ratings for each question was then used to establish the results as below:

The five services which are most important services and respondents would like to see stay at the same level

- 1) Street cleaning and litter collection – (15.24%)
- 2) Recycling – (14.12%)
- 3) Public Toilets – (11.43%)
- 4) Garden Waste Collection – (9.13%)
- 5) Community Safety – (8.82%)

The services where respondents would be most willing to see us reduce the level of service or increase prices

- 1) Rural Outreach (12.52%)
- 2) Consulting & Engaging with Local People (10.81%)
- 3) Supporting Local Communities (9.89%)
- 4) Town/Village Improvements & Events (8.79%)
- 5) Tourist Information Centres (8.45%)

Residents were asked for any other suggestions for ways to reduce our costs or increase income. 110 suggestions were made covering a wide range of issues. The key issues identified were car parking, staffing and recycling.

The full report including all results will be available shortly.

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NAME OF COMMITTEE	Council
DATE	12 February 2012
REPORT TITLE	Planning issues relating to the former Focus DIY Store, Tavistock Retail Park, Plymouth Road, Tavistock
Report of	The Head of Planning, Economy and Community
WARDS AFFECTED	Tavistock

Summary of report:

This report formally updates members on the outcome of the High Court decision relating to the former Focus site, sets out an updated chronology of events and clarifies the current planning status of the site.

Financial implications:

There are no direct financial implications from this report which is for information only.

However, the previous report to Council on 15 May 2012 estimated the costs of the action to be in the region of £40-50,000. Although detailed costs are not yet known they are unlikely to exceed this amount. Up to date information on costs will be provided at the meeting.

RECOMMENDATIONS:

- (i) To note the High Court decision to refuse an extension of time to seek to quash planning permission 01575/2011 on the former Focus site.
- (ii) To note the latest chronology of events
- (iii) To note the current planning status of the site.

Officer contact:

Marion Playle – Head of Planning, Economy and Community

Tel 01822 813600 email marion.playle@swdevon.gov.uk

1. BACKGROUND

- 1.1 On 17 April 2012 Council received a report from the Deputy Monitoring Officer which sought consent for the Council to pursue Judicial Review proceedings to quash a planning permission granted on the Focus-Do-it-all site in Tavistock.

The decision was deferred pending receipt of the Council's retail study. (Council Minute CM87 refers).

- 1.2 On 15 May 2012 Council received a further report setting out the initial conclusions from the retail study. As a consequence, Council decided to pursue High Court proceedings to seek to quash planning permission 01575/2011 on the site. (Council Minute CM 26 refers) However, as the 3 month time limit to take action had expired, it was necessary to apply for an extension of time in the first instance. Members will recall that as the Council cannot take action against itself, Cllr Sanders agreed to do so and Council also agreed to fully indemnify him in this respect.
- 1.3 On 22 January the judge refused an extension of time and therefore we are unable to seek to quash the permission. Consequently, this report formally updates Council on the decision, provides an updated chronology of events at Appendix "A" and sets out the current planning status of the site at this point in time.

2. HIGH COURT DECISION

- 2.1 Following Council's decision, an application was made to the court in June 2012. In October 2012 a judge ordered a hearing to be held on 22 January. A different judge presided over the actual hearing and refused the extension of time. (It could be argued that the hearing was superfluous and unnecessary costs were incurred by the Council and Marchfield in this respect). Consequently, we are unable to pursue the case further through the courts. An Order has been received but a written transcript of the judge's reasons are still awaited.
- 2.2 To be clear, the judge has not determined the merits of the case at all. He has merely refused an extension of time for us to pursue the case further.
- 2.3 With regard to costs, we are liable for our own costs in pursuing the case and the judge has ordered that we are to pay Marchfield's costs of *"the filed acknowledgement of service and the hearing of the application, to be the subject of detailed assessment if not agreed."* We are not liable for any compensation, despite concerns to the contrary. Our actions specifically avoided the risk of this happening.

3. CURRENT PLANNING STATUS OF THE SITE

- 3.1 The current planning status of the site is still unclear. Whilst we have been awaiting the High Court decision, locally the issue has been challenged elsewhere. A recent High Court decision has determined that in such situations a new planning history has not been created and, therefore, unrestricted retail use is not permitted on the site. (see R (Peel Land and Property Investments Plc) vs Hyndburn Borough Council and others [2012] EWHC).
- 3.2 In short, this has reversed the original case law which placed us in this position in the first place. Not surprisingly, Peel Land and Property Investments PLC are taking the matter to the Court of Appeal. The hearing is in June and the outcome is eagerly awaited in the planning world.

3.3 Marchfield Properties appealed for non-determination of their Certificate of Lawfulness for the Focus site. As a result of the Hyndburn case they have asked the Planning Inspectorate to postpone the appeal hearing until September when the outcome of the Hyndburn case will be finally determined. . The Council has agreed to this postponement as the Hyndburn case could be relevant to our own case and, were a decision to be made by the Inspectorate when this case is pending, would be at risk of challenge by either the Council or Marchfield Properties

3.4 It is important to emphasise that, in the meantime, the site still has permission for retail sales, albeit that conditions relating to a restriction on the sale of food are unclear. It could therefore re-open at any time if Marchfield are able to find a tenant. Further, anyone can submit an application for another Use Class at any time.

4. LEGAL IMPLICATIONS

4.1 To what extent the Hynburn decision will be relevant to our own case will not be clear until the Court of Appeal ruling is known. The postponement until September of the planning appeal will enable both parties to consider the judgement before presenting cases to the Inspectorate. In the event that the Appeal is dismissed then Marchfield Properties may not pursue their appeal. Conversely, if the appeal is allowed the Council will have to consider whether it is appropriate to resist the issue of a certificate. Either course of action will depend on how the decision of the Court Appeal can be properly applied to our case.

4.2 The report is presented to Council for information as a significant, corporate issue which warrants a formal report.

5. FINANCIAL IMPLICATIONS

5.1 There are no direct financial implications for this particular report which is for information only. However, the previous report to Council on 15 May 2012 estimated the costs of the action to be in the region of £40-50,000. Although detailed costs are not yet known they are unlikely to exceed this amount. Up to date information on costs will be provided at the meeting.

6. RISK MANAGEMENT

6.1 There are no risk implications as the report is for information only.

Corporate priorities engaged:	Community Life; Economy
Statutory powers:	Local Government Act 1972 s.222 Town & Country Planning Act 1990 Supreme Court Act 1981 – s. 31 and Civil Procedure Rules 1998 Part 54
Considerations of equality and human rights:	None
Biodiversity considerations:	This report engages no biodiversity implications

Sustainability considerations:	There are no implications in this report
Crime and disorder implications:	This report engages no crime and disorder implications
Background papers:	<p>Planning applications 01575/2011 dated 11 July 2011 and 9215/2006/TAV dated 2 April 2007. Correspondence held by the Development Management team, the Monitoring Officer and the Deputy Monitoring Officer save those items which are protected by legal professional privilege which are not discloseable to the public.</p> <p>Report to Council of the Deputy Monitoring Officer – 17 April 2012</p> <p>Report to Council of the Head of Planning, Economy and Community – 15 May 2012</p> <p>R (Peel Land and Property Investments Plc) vs Hyndburn Borough Council and others [2012] EWHC</p>
Appendices attached:	Appendix A – Updated Chronology of Events

FORMER FOCUS SITE, TAVISTOCK

CHRONOLOGY OF EVENTS

DATE	EVENT
2 April 2007	Planning Permission was granted for the Focus DIY store which permitted the use of the whole unit as a non-food retail warehouse (Class A1) A condition restricted the goods that could be sold from the store (eg to DIY/Hardware) and prohibited the sale of other goods (eg food and clothing) without the prior written permission of the Council.
11 July 2011	Planning Permission was granted to alter elevations, including a new shop front and associated works. This was normal practice as the application was for minor alterations and it was judged that the conditions on the original application remained applicable.
31 October 2011	A major food retailer, accompanied by the owner of the Focus Store, attended a meeting with Marion Playle and Jo Perry asserting that they had Counsel's opinion which confirmed that they could use the Focus Store for food retailing. Given the seriousness of the issue it was decided to seek our own legal opinion, rather than accept the fact on face value
21 November 2011	Legal were instructed to seek our own counsel opinion who themselves confirmed that case law now allowed food retail on the site.
Late November	An email was sent to Marion Playle from the major food retailer confirming that they were no longer interested in the site
23 December 2011	An application for a Certificate of Lawfulness for a Proposed Use or Development Application (CLOPD) was received from Marchfield Properties Limited for the proposed alteration and sub-division of the unit for unrestricted retail use (Class A1).
Feb 2012	Officers, with leading members, considered whether to issue the Certificate or not and decided to seek further legal advice as to whether a remedy was available.
12 March 2012	Counsel advised that High Court Action to quash the July 2011 Planning permission was the only remedy available. Given the impact an out of town supermarket could have on the Town Centre of Tavistock it was decided to recommend such action to Council
17 April 2012	Council were presented with a report recommending High Court Action – the decision was deferred pending the results of the retail study

15 May 2012	A further report was presented to Council. A decision was taken to pursue High Court action to quash the planning permission and to seek an extension of time to do so
June 2012	The claim was made to the court
22 August 2012	Marchfield properties lodged an appeal with the Planning Inspectorate against non-determination of the Certificate of Lawfulness (CLOPD)
9 October 2012	The judge ordered a hearing
22 January 2012	At the hearing the judge refused an extension of time
28 January 2012	Marchfield made a request to the Planning Inspectorate to delay the appeal for non determination of the CLOPD until after September 2013. The Council and PINS agreed.

Agenda Item 3

At the Meeting of the **WEST DEVON BOROUGH COUNCIL** held in the **COUNCIL CHAMBER, KILWORTHY PARK, TAVISTOCK** on **TUESDAY** the **12th** day of **FEBRUARY 2013** at **4.30pm** pursuant to Notice given and Summons duly served.

Present Cllr C R Musgrave – The Mayor (In the Chair)

Cllr S C Bailey	Cllr K Ball
Cllr R E Baldwin	Cllr M J R Benson
Cllr A Clish-Green	Cllr D W Cloke
Cllr M V L Ewings	Cllr C Hall
Cllr T J Hill	Cllr L J G Hockridge
Cllr D M Horn	Cllr A F Leech
Cllr J B Moody	Cllr N Morgan
Cllr M E Morse	Cllr D E Moyse
Cllr R J Oxborough	Cllr T G Pearce
Cllr P J Ridgers	Cllr L B Rose
Cllr R F D Sampson	Cllr P R Sanders
Cllr D K A Sellis	Cllr J Sheldon
Cllr E H Sherrell	Cllr D Whitcomb
Cllr D M Wilde	

Chief Executive
Monitoring Officer
Democratic Services Manager
Head of Finance and Audit
Head of Planning, Economy and Community

CM 64 APOLOGIES FOR ABSENCE

Apologies for absence were received from Cllrs W G Cann OBE, C M Marsh and J R McInnes

CM 65 DECLARATION OF INTEREST

The Mayor invited Members to declare any interests in the items of business to be considered during the course of the meeting, but there were none made.

CM 66 CONFIRMATION OF MINUTES

It was moved by Cllr P R Sanders, seconded by Cllr R F D Sampson, and upon the motion being submitted to the Meeting, was declared to be **CARRIED** and “**RESOLVED** that the Council agree the Minutes of the Meeting of Council held on 11 December 2012 as a true record.”

CM 67 COMMUNICATIONS FROM THE MAYOR

The Mayor advised that he wished to put on record his appreciation to those officers who had been involved in the tremendous work to ensure the recent launch of the new Council website.

CM 68 BUSINESS BROUGHT FORWARD BY THE MAYOR

The Mayor advised Members that he had two items of urgent business to be raised at this meeting. The first item related to the need to appoint two

Member representatives to serve on the Crowndale Recreational Association. This item was considered urgent due to the date constraints associated with this matter and would be taken as the next agenda item (Minute CM 69 below refers).

The second item related to recent correspondence received by the Council from the Lieutenancy Office regarding the 'Fly a Flag for the Commonwealth on 10 March 2014' initiative and this would be taken under minute CM 70 below.

CM 69 CROWDALE RECREATIONAL ASSOCIATION

As outlined above (CM 68 refers), the Mayor invited nominations to fill the two Council vacancies on the Crowndale Recreational Association.

It was then moved by Cllr R F D Sampson, seconded by Cllr P R Sanders, and upon the motion being submitted to the Meeting, was declared to be **CARRIED** and “**RESOLVED** that Cllrs N Morgan and C R Musgrave be appointed to serve on the Crowndale Recreational Association for the remainder of the 2012/13 Municipal Year.”

CM 70 FLY A FLAG FOR THE COMMONWEALTH

As outlined above (minute CM 68 refers), the Mayor invited a proposal in respect of this initiative.

It was then moved by Cllr R F D Sampson, seconded by Cllr P R Sanders, and upon the motion being submitted to the Meeting, was declared to be **CARRIED** and “**RESOLVED** that the Council take part in the 'Fly a Flag for the Commonwealth' initiative on 10 March 2014.”

CM 71 MINUTES OF COMMITTEES

a. Community Services Committee – 22 January 2013

It was moved by Cllr R J Oxborough, seconded by Cllr R F D Sampson, and upon being submitted to the Meeting, was declared to be **CARRIED** and “**RESOLVED** that the Minutes of the 22 January 2013 meeting be received and noted, with the exception of Unstarred minute CS 32”.

In respect of the Unstarred Minute:

i. CS 32 – Continued Suspension of Car Parking Strategy In Respect of Pay & Display Charges

It was moved by Cllr R J Oxborough, seconded by Cllr R F D Sampson, and upon being submitted to the Meeting, was declared to be **CARRIED** and “**RESOLVED** that the current suspension of the strategy for tariff setting only be continued to enable more flexibility when reviewing the Pay and Display charges for 2013/14.”

b. Overview & Scrutiny Committee – 15 January 2013

It was moved by Cllr D W Cloke, seconded by Cllr S C Bailey, and upon being submitted to the Meeting, was declared to be **CARRIED** and “**RESOLVED** that the Minutes of the 15 January 2013 meeting be received and noted, with the exception of Unstarred Minute O&S31part (i) and O&S31part (ii)”.

In respect of the Unstarred Minutes:

i. O&S 31 part (i) – Two Committee Structure

The following motion was moved by Cllr D W Cloke and seconded that:

1. the current pilot (due to end in May 2013) be extended until the full Council meeting in December 2013; and
2. with immediate effect, the Chairmen and Vice-Chairmen of the Resources Committee and the Community Services Committee consider revising current working arrangements to ensure that the workload, particularly within the Community Services Committee, be more evenly spread amongst its Committee Members, including clarifying the roles of Lead Members, Champions and Working Groups.”

An amendment to the motion was subsequently moved by Cllr R F D Sampson and seconded by Cllr T G Pearce whereby the term ‘*with immediate effect*’ be deleted from part 2. Upon being submitted to the Meeting, this amendment was declared to be **CARRIED**.

As the substantive motion, it was then declared to be **CARRIED** and “**RESOLVED** that:

1. the current pilot (due to end in May 2013) be extended until the full Council meeting in December 2013; and
2. the Chairmen and Vice-Chairmen of the Resources Committee and the Community Services Committee consider revising current working arrangements to ensure that the workload, particularly within the Community Services Committee, be more evenly spread amongst its Committee Members, including clarifying the roles of Lead Members, Champions and Working Groups.”

ii. O&S 31 part (ii) – Member IT Provision

It was moved by Cllr D W Cloke, seconded by Cllr S C Bailey and upon being submitted to the Meeting was declared to be **CARRIED** and “**RESOLVED** that the draft Member IT Provision Policy be adopted.”

c. Planning and Licensing Committee – 8 January 2013

It was moved by Cllr L B Rose, seconded by Cllr D Whitcomb, and upon being submitted to the Meeting, was declared to be **CARRIED** and “**RESOLVED** that the Minutes of the 8 January 2013 meeting be received and noted, with the exception of Unstarred minute P&L 68”.

i. P&L 68 – Review of Site Inspection Protocol

It was moved by Cllr L B Rose, seconded by Cllr D Whitcomb and upon being submitted to the Meeting was declared to be **CARRIED** and “**RESOLVED** that the protocol be approved and adopted and that the Monitoring Officer be requested to amend the Council’s Constitution accordingly”.

d. Resources Committee – 29 January 2013

It was moved by Cllr P R Sanders, seconded by Cllr R E Baldwin, and upon being submitted to the Meeting, was declared to be **CARRIED** and “**RESOLVED** that the Minutes of the 29 January 2013 meeting be received and noted”.

For clarity, Cllr P R Sanders confirmed that, whilst Minutes RC 35 and RC 37 were indicated as being unstarred minutes, these matters were to be considered later in the agenda of this meeting (Minutes CM 72 and CM 73 below refer).

CM 72 CAPITAL PROGRAMME 2013/14

A report was considered that sought Member approval for the 2013/14 Capital Programme.

It was then moved by Cllr P R Sanders, seconded by Cllr B E Baldwin, and upon the motion being submitted to the Meeting, was declared to be **CARRIED** and “**RESOLVED** that:-

1. the budget for the 2013/14 Capital Programme totalling £741,000 (as outlined in Section 2.1 of the presented agenda report) be approved; and
2. the proposed method of funding these Bids (as set out in Section 2.2 of the presented agenda report) be approved”.

CM 73 REVENUE BUDGET 2013/14

The Council considered a report which provided an updated forecast of the financial situation for the Revenue Budget for 2013/14 and presented a set of recommendations in respect of setting a balanced budget.

In presenting the report, the Head of Finance and Audit updated Members that the Council had been advised that it would be in receipt of a one-off grant for rural areas entitled ‘Efficiency for Support in Sparse Areas’. Whilst the matter was still to be debated by Parliament the day after this meeting, indications were that the Council would receive an additional grant sum of £45,559.

In discussion, reference was made to:-

- a) the essential car user allowance. The Chairman of the Devon Building Control Partnership made reference to the substantial difficulties which were likely to be caused within the Building Control service if the proposed saving was agreed. In reply, assurances were given that, assuming these officers had been included in this category, then the Council would look at the situation and do its best to support these staff members;
- b) the proposed 1.9% increase in Council Tax. In citing the current economic climate, a Member advised of his strong opposition to the proposed increase. Whilst Members did not wish to recommend any increase in Council Tax, such was the seriousness of the settlement announcement from Central Government (e.g. it would be necessary to remove £728,000 from a total budget of £7.1 Million on 1 April 2014), then it was vital to increase the Council Tax to ensure the future viability of the Council.
- c) Members raised the perception amongst some residents that the proposed increase was being applied to offset the cost of recent legal action. Other Members refuted this, pointing out that the costs of the legal action were already accounted for as one off expenditure and the Council Tax increase covers ongoing running costs.
- d) a Member encouraging the Leader to write to Mr Eric Pickles MP to point out the fundamental flaws associated with the 2013/14 Council Tax Freeze Grant, which was being offered to local authorities.

It was then moved by Cllr P R Sanders, seconded by Cllr B E Baldwin, and upon the motion being submitted to the Meeting, was declared to be **CARRIED** and “**RESOLVED** that:-

- (i) in order to set a balanced budget for 2013-14:
 - the proposed savings of £173,310 set out in Appendix G (of the presented agenda report) be adopted;
 - an increase in Council Tax of 1.9% (which equates to a Band D council tax of £200.69) be set which will raise an additional £28,818 over and above the Council Tax Freeze Grant level of £41,946 (paragraph 4.6 of the presented agenda report refers) – this equates to a Council Tax requirement of £3,797,213
 - an additional £153,076 of the New Homes Bonus Grant (on top of £200,000 already built in to budget assumptions) be used.
- (ii) the financial pressures in Appendix A of the presented agenda report (£435,930) be accepted.
- (iii) the schedule of savings identified in Appendix A of the presented agenda report (totalling £131,000) be agreed.

- (iv) £531,000 of New Homes Bonus funding from 2013-2014 be used to fund the 2013-14 Capital Programme as per Section 6.5 of the presented agenda report
- (v) the minimum level of the Unearmarked Revenue Reserves be maintained to £750,000 as per Section 7.2 of the presented agenda report
- (vi) the level of reserves (as set out within the presented agenda report) and the assessment of their adequacy and the robustness of budget estimates be noted. (This is a requirement of Part 2 of the Local Government Act 2003).
- (vii) £77,292 of the New Homes Bonus funding from 2012-13 (which currently remains unallocated) be allocated to an Invest to Save Earmarked Reserve as per Section 6.3 of the presented agenda report”.

CM 74

PLANNING ISSUES RELATING TO THE FORMER FOCUS DIY STORE, TAVISTOCK RETAIL PARK, PLYMOUTH ROAD, TAVISTOCK

The Council considered an information report which formally updated Members on the outcome of the High Court decision relating to the former Focus site, which set out an updated chronology of events and clarified the current planning status of the site.

The Head of Planning, Economy and Community updated the Members in respect of the estimated costs to the Council. The officer confirmed that the costs were expected to fall within the anticipated range of £40,000 - £50,000. In attempting to quash some rumours, the officer wished to stress that the Council was not liable for some of the amounts which were being speculated.

In discussion, the following points were raised:-

- (a) The officer confirmed that since the Council was in the process of negotiation, it was not possible to provide an end date for when the full costs would be known;
- (b) Some Members felt that an additional motion should be included in the resolution which referred the issue for an investigation by the Overview and Scrutiny Committee, but the Monitoring Officer advised that such a reference to the Overview and Scrutiny Committee was not within the Council’s Rules of Procedure. In reply, other Members made reference to the fact that due democratic process had been followed in this regard and queried the appropriateness of such an investigation. Following a lengthy debate, it was felt that a ‘lessons learned’ exercise could be useful upon the conclusion of the whole process. As a consequence, the following addition was moved by Cllr R F D Sampson and seconded by Cllr P R Sanders that:

'The conduct of the application for leave to apply for Judicial Review and related issues warrants full investigation and when the full judgement is available, the Chief Executive shall advise the Council as to the appropriate means for carrying out this investigation.'

Having been moved by Cllr P R Sanders and seconded by Cllr B E Baldwin, the amended motion was submitted to the Meeting, and it was declared to be **CARRIED** and "**RESOLVED** that:

- a) the High Court decision to refuse an extension of time to seek to quash planning permission 01575/2011 on the former Focus site be noted;
- b) the conduct of the application for leave to apply for Judicial Review and related issues warrants full investigation and when the full judgement is available, the Chief Executive shall advise the Council as to the appropriate means for carrying out this investigation.
- c) the latest chronology of events be noted; and
- d) the current planning status of the site be noted".

CM 75

COMMON SEAL

A copy of the documents signed by the Mayor during the period 27 November 2012 to 30 January 2013 was circulated to Members and noted by the Meeting.

Despite having been given assurances by the Resources Committee, a Member expressed her concerns that there were Section 106 Agreements included on the record for which the local ward Member(s) had not been consulted.

It was then moved by Cllr E H Sherrell, seconded by Cllr R F D Sampson, 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 any documents for the forthcoming year".

(The Meeting terminated at 5.55 pm)

Mayor

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