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West Devon
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Council

WEST DEVON STRATEGY & RESOURCES COMMITTEE - TUESDAY, 24TH JANUARY, 2012

Agenda, Reports and Minutes for the meeting

Agenda No Item

1. **Agenda Letter** (Pages 1 - 8)

2. **Reports**
 Reports to Strategy & Resources:
 - a) Item 5 - Revenue Budget Update for 2012-2013 (Pages 9 - 42)
 - b) Item 6 - 2011/2012 Revenue Budget Monitoring as at 31st December 2011 (Pages 43 - 50)
 - c) Item 7 - Capital Programme 2012/2013 to 2014/2015 (Pages 51 - 66)
 - d) Item 8 - New Website (Pages 67 - 74)
 - e) Item 9 - Review of Performance Indicators (Pages 75 - 82)
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Agenda Item 1

A G E N D A - STRATEGIES & RESOURCES COMMITTEE – 24 JANUARY 2012

PART ONE - OPEN COMMITTEE

1. **Apologies for absence**
2. **Items Requiring Urgent Attention**
To consider those items which, in the opinion of the Chairman, should be considered by the meeting as matters of urgency (if any).
3. **Declarations of Interest**
Members are reminded to declare any personal or prejudicial interests they may have in any agenda items

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4. **Confirmation of Minutes**
Meeting held on 15th November 2011 (previously circulated)

OPERATIONAL

5. **Revenue Budget Update for 2012-2013**
Report of the Head of Finance & Audit 8
 6. **2011/2012 Revenue Budget Monitoring as at 31st December 2011**
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 7. **Capital Programme 2012/2013 to 2014/2015**
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- NOTE: Appendices A, B, and C contain Exempt Information under Paragraph 3**
8. **New Website**
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PART TWO ITEMS WHICH MAY BE TAKEN IN THE ABSENCE OF THE PUBLIC AND PRESS ON THE GROUNDS THAT EXEMPT INFORMATION IS LIKELY TO BE DISCLOSED (if any).

The Committee 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 items of business on the grounds that exempt information may be disclosed as defined in the paragraphs given in brackets below from Part I of Schedule 12A to the Act”.

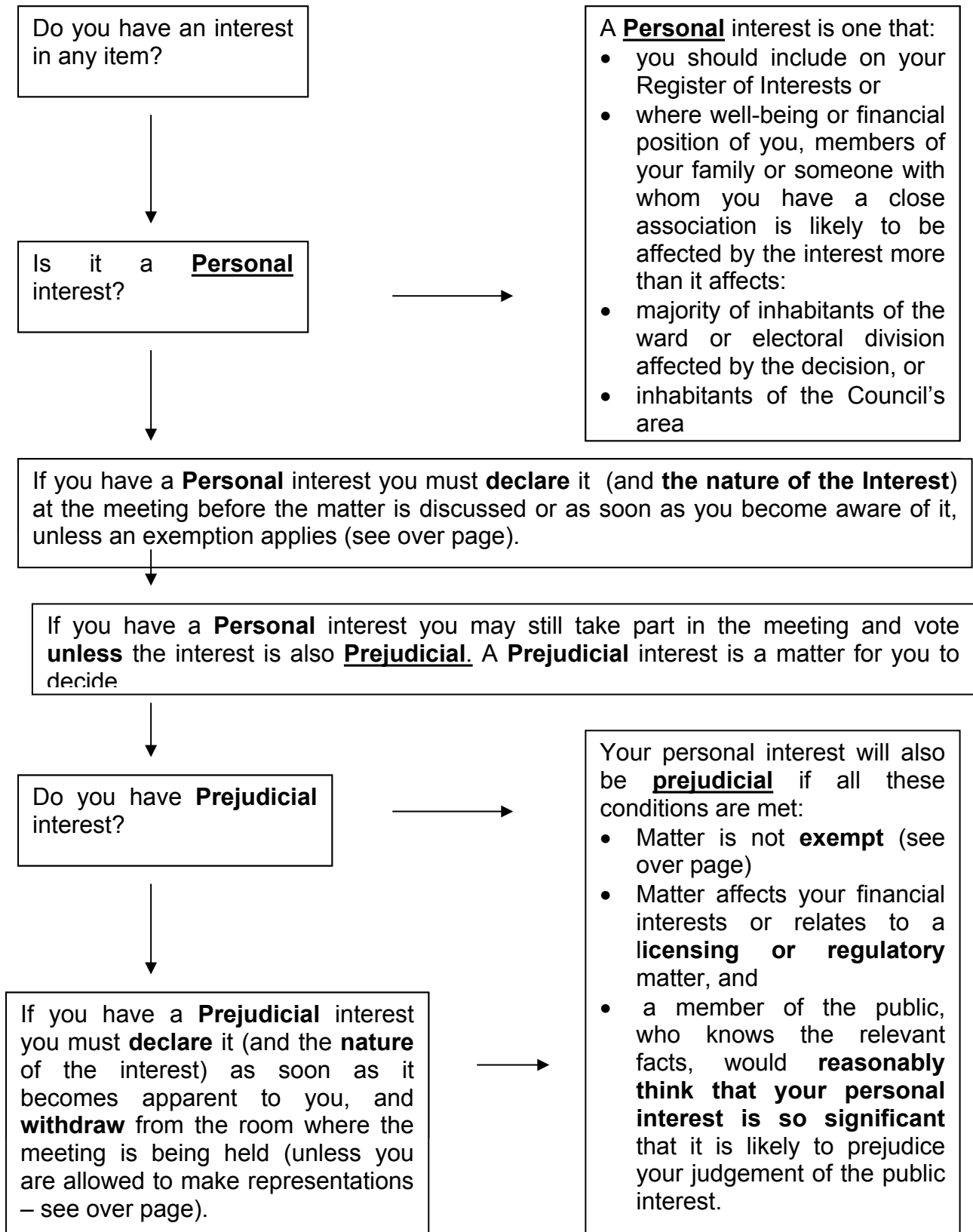
10. **New Revenue & Benefits Software Contract – (Paragraph 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information))**
Report of the Head ICT and Customer Services 65

11. **Staffing Matter – Middle Managers’ Review – (Paragraph 2 – Information Which is likely to reveal the identity of an individual: Paragraph 4 – Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matters arising between the authority or a Minister of the Crown and employees of, or office-holders under the authority.**
Report of the Corporate Director (TW) 71

This document can be made available in large print, Braille, tape format, other languages or alternative format upon request. Please contact the Committee section on 01822 813662 or email sbeer@westdevon.gov.uk

West Devon Borough Council Members' Code of Conduct Declarations of interest

If you are in any doubt about what to do, please seek advice



West Devon Borough Council Members' Code of Conduct (see part 5 of the Constitution)

Personal Interests - You will have a **personal interest** in a matter if:

- anything that you should have mentioned in your Register and/or
- the well-being or financial position of you, members of your family, or people with whom you have a close association

is likely to be affected by the business of the Council more than it would affect the **majority of the inhabitants** of the ward or electoral division affected by the decision, or the inhabitants of the Council's area.

Exemption - An exemption applies where your **personal interest** arises solely from your membership (or position of control/management) on any body to which you were appointed/nominated by the Council or any other body exercising functions of a public nature. In such cases (unless you have a prejudicial interest) you only need to declare your interest if and when you speak on a matter.

Personal Interests include:

- Your membership/position of control/management in bodies to which the Council appointed/nominated you, or any bodies exercising functions of a public nature, directed to charitable purposes or whose principal purposes include influence of public opinion or policy, including any political party or trade union;
- Your job(s) or business(es), and the name of your employer;
- Name of any person who has made a payment towards your election expenses or expenses you have incurred in carrying out your duties;
- The name of any person, company/other body which has a place of business/land in the Council's area and in which you have a shares of more than £25,000/stake of more than 1/100th of the share capital of the company;
- Any contracts with the Council between you, your firm or a company (of which you a paid director) for goods, services or works.
- Any gift/hospitality estimated to > £25 and the name of the person who gave it to you;
- Any land/property in the Council's area in which you have a beneficial interest (or a licence to occupy) including the land and house you live in, any allotments you own or use.

Definitions

- "**Well-being**" - condition of happiness and contentedness. Anything that could affect your quality of life, either positively or negatively, is likely to affect your well-being.
- "**Member of your family**" means a partner (i.e. your spouse/civil partner/someone you live with in a similar capacity), parent/parent-in-law, son/daughter, step-son/step-daughter, child of partner, brother/sister, grandparent/grandchild, uncle/aunt, nephew/niece, or the partners of any of these persons.
- Person with whom you have a "**close association**" means someone with whom you are in close regular contact over a period of time who is more than an acquaintance. It is someone a reasonable member of the public might think you would be prepared to favour/ disadvantage when discussing a matter which affects them. It may be a friend, a colleague, a business associate or someone you know through general social contacts.

Prejudicial Interests - your personal interest will also be **prejudicial** if you meet conditions set out overleaf.

Exempt categories - you will **not** have a **Prejudicial** interest in a matter if it relates to:

(a) any **tenancy/lease** you hold with the Council (unless relating to your particular tenancy/lease); (b) **Schools** (meals/transport/travelling expenses): if parent/guardian of child in full time education or parent governor (unless relating to the school your child attends); (c) if you are receiving/entitled to **statutory sick pay**; (d) An **allowance/payment/indemnity** for members; (e) ceremonial honour given to members and (f) setting the council tax or precept.

Making representations - if you have a **Prejudicial** interest, you must declare that you have an interest and the nature of that interest as soon as the interest becomes apparent. You should leave the room unless members of the public are allowed to make representations, give evidence, or answer questions about the matter. If that is the case, then you can also attend the meeting for that purpose. However you must leave the room immediately you have finished and you cannot take part in the debate or vote.

Sensitive information

You may be exempt from having to declare sensitive information on your Register of interests in which case, although you must declare that you have an interest, you don't have to give any details about that interest on the register or to the meeting (please speak to the Monitoring Officer about this first).

Revised May 2007

Strategies & Resources Committee

1. Responsibilities

To carry out the Council's responsibilities for the following areas:

- **Asset Management:** to determine all acquisitions and disposals of land and/or property and to be responsible for the overall management of the Council's assets.
- **Budget:** to keep under review and recommend to the Council the overall budgetary framework (to include both capital and revenue) – the allocation of finances to different services and projects, proposed contingency funds, setting the council tax, and decisions relating to the control of the Council's borrowing requirements, the control of its capital expenditure and the setting of virement limits, loans.
- **Civil Contingencies:** to be responsible for the review and implementation of Civil Contingencies (to include emergency planning).
- **Community Well-being:** which covers improving community safety, crime, fear of crime, community improvement, working towards inclusive health and support services.
- **Corporate Performance:** to review, monitor and recommend to Council the overall corporate performance of the Council.
- **Corporate Service Planning:** to keep under review and to recommend to Council the overall policies and plans in relation to service planning (to include the Sustainable Community Strategy, Towards Excellence Plan, and Customer First Plan).
- **Corporate Priorities:** to keep under review and recommend to Council the overall priorities of the Council.
- **Council Offices:** to manage the offices owned or used by the Council.
- **E-Government:** to keep under review and recommend to Council the policies and programmes in relation to e-government and strategic IT issues.
- **Elections:** to deal with any matters relating to the electoral arrangements of the Borough, electoral registration, Borough elections, the boundaries of the Borough.
- **Emerging issues:** to consider emerging issues or initiatives new to the Council and take such action as appears necessary.
- **Energy Efficiency:** to oversee the Council's Environmental responsibilities and take such as action as appears necessary.

- **Funding****: to take such action as might appear appropriate on new funding opportunities.
- **Human Resources**: to be responsible for strategic personnel issues and strategic customer interface
- **Procurement** – to be responsible for procurement and procurement policy
- **Property and Equipment**: to consider and decide on strategic issues.
- **Shared Services**: to be responsible for the Shared Services agenda
- **Strategies****: to be responsible for the review and implementation of all countywide and regional strategies.
- **Strategic Operational Matters**: to review activity and assess new opportunities for partnership or outsourcing.
- **Strategic Partnerships****: to receive reports on the strategic partnerships that affect the Council or the Borough and (where appropriate) take a view, give guidance to our delegates or make recommendations to Council.
- **Support Services**: to exercise general supervision for the following support services:
 - Committee Services
 - Customer Services
 - Financial Services (including Revenues and Benefits)
 - ICT Service
 - Legal (including Data Protection)
 - Improvement (including Policy, Performance, Media and Corporate Issues)
 - Personnel

**i.e. those that do not fall within the remit of another Committee

2. **Budget** – to have authority for spending within the allocated budget

3. **Performance Management**

To be responsible for service performance within the remit of the Committee, and to consider and monitor the Committee Performance Contracts. The Committee will undertake an annual review of its performance.

4. **Fees**

To keep under review the fees and charges for the Committee's services where statutory authority exists for the levying of such and to levy the same where, in the opinion of the Chief Finance Officer, the levying of such charges will not give rise to a material adverse impact on the overall budget of the Council. In all other circumstances (including where Council fees and charges have been referred

from other committees) the committee to recommend the levying of fees and charges to Council.

5. **Policy Framework**

- **Sustainable Community Strategy:** to be responsible for the review and implementation of the strategy as approved by Council
- **Customer First Plan:** to be responsible for the review and implementation of the plan as approved by Council
- **Towards and Beyond Excellence Plan:** to be responsible for the review and implementation of the plan as approved by Council
- **Equality Strategy:** to be responsible for the review and implementation of the strategy as approved by Council
- **Financial Strategy:** to be responsible for the review and implementation of the strategy as approved by Council.

6. **Delivery Plans**

To be responsible for the following Delivery Plans:

- **Community Well-being Delivery Plan**
- **Access to Services Delivery Plan**

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AGENDA
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WEST DEVON BOROUGH COUNCIL

AGENDA
ITEM
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NAME OF COMMITTEE	Strategies & Resources
DATE	24 January 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:

Members are requested to recommend to Council:

1. That in order to set a Balanced Budget for 2012-2013,

EITHER

i) A Nil increase in council tax for 2012-13 will be set (the Band D Council Tax for West Devon Borough Council will remain at £192.15 for 2012-13) and the Council will accept the one-off Council Tax Freeze Grant being offered by the Government of £101,623 as per Section 5.12

OR

ii) 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

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 2012-13 as per Section 4.5
7. To allocate £40,250 of the New Homes Bonus to the Dartmoor National Park Authority

Members are asked to consider:

8. Whether any of the Discretionary bids should be accepted (as shown in Appendix A totalling £12,500).

Officer contact:

Lisa Buckle, Head of Finance
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Carolyn Haynes, Chief Revenue Accountant
01822 813643 chaynes@westdevon.gov.uk

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 2012/13 to 2015/16 which was presented to Members on the 5th July 2011 identified the following projected budget gaps per year:-

2012/2013	£461,366
2013/2014	£153,302
2014/2015	£147,391
2015/2016	£242,912

- 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 2012-13. This provided an updated forecast of the financial situation for the revenue budget for 2012-13.

2. CHANGES SINCE LAST BUDGET UPDATE

- 2.1 A Revenue Budget update report was presented to Members on the 15th November 2011. This report set out an anticipated budget gap for 2012-13 of £322,000 after allowing for the council tax freeze grant being offered by the government of £100,162, or an equivalent increase in council tax.
- 2.2 This report shows a balanced budget for 2012-13, demonstrating a movement on the previous budget gap of £322,000.
- 2.3 There is a small increase of £1,500 in the provision for budget pressures which are discussed in Section 3 of this report.
- 2.4 The discretionary bids have increased by £7,500 to include the Anti-Social Behaviour Officer, the details are contained in Section 3.8 of this report.
- 2.5 Additional savings and income generation identified are now equal to £469,398 this equates to a £194,898 increase on the original provision of £274,500. The details are contained in Section 4 of this report. The main changes are due to the following:
- an increase of £60,000 in the budget for recycling credit income (4.7)
 - a new shared service savings target of £50,000 (4.5)
 - savings from the Middle Manager review of £30,000 (4.4)
 - £30,000 savings on the revenue & benefits service (4.6)
 - An increase of £20,000 on the IT savings identified (4.6)
 - Increased season ticket sales for car parking of £5,000
 - A small adjustment of (£102) on the aggregated small savings
- 2.6 The projected surplus for the Collection Fund has increased by 63,844 to £113,844, details are contained in Section 5.16.
- 2.7 The Taxbase has now been confirmed at 21,019.39 Band D Equivalent properties, providing council tax income of £4,038,876. This will produce slightly less income than predicted by £5,882. Details are contained in Section 5.14.

- 2.8 The New Homes Bonus allocation for 2012-13 has now been confirmed as £892,542. It is therefore intended that we increase the amount funding the revenue base budget from £150,000 in 2011-12 to £200,000 in 2012-13, an increase of £50,000. Please see Section 7 for details of the New Homes Bonus Scheme.

FORMULA GRANT FUNDING

- 2.9 Our Government Grant was reduced by 27% over the two years 2011/12 and 2012/13. In 2012/13, 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 2010/11 of £100,162 is now included within Formula Grant for 2012/13 onwards.
- 2.10 We have not had any indication of the funding that may be available for 2013/14 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 B illustrate the financial impact of the budget pressures on the Council's financial position for the four years to 2015/16. 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 November 2011 was 4.8% (Retail Price Index was 5.2%). Both indices have fallen consecutively by 0.2% on the figures for the previous two months. 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 2011/12).
- 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 2011/12. For budgeting purposes, the Council has modelled a Nil pay offer for 2012/13.

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 2010/11.

Referrals	76
1 st Instance Letters	30
2 nd Instance Letters	6

Alcohol letters	39
Acceptable Behaviour	9
Contracts	
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 2012-13, being the amount over and above the previous target set for 2011-12.
- 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 2012-13 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 2012-13.

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 £
	2011/12	2011/12	2012/13
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 tax freeze offer will apply separately to each billing and major precepting authority in England (rather than to each council tax bill issued). Billing authorities include shire districts, metropolitan districts, London Boroughs and unitary authorities and major precepting authorities include county councils, fire and rescue authorities, police authorities and the Greater London Authority.
- 5.4 If an authority sets its basic amount of council tax (i.e. its Band D council tax) in 2012-13 at a level which is no more than its basic amount of council tax in 2011-12, it will receive a one-off grant equivalent to a 2.5 per cent increase. Police and fire authorities will receive a grant equivalent to 3 per cent of their 2011-12 basic amount of council tax.
- 5.5 An unringfenced grant in support of the scheme will be paid to each eligible billing and major precepting authority based on the formula. Payments to

authorities will be made through the grant-making powers in section 31 of the Local Government Act 2003.

- 5.6 Local authorities who wish to reduce their council tax in absolute cash terms are still also eligible to receive the grant. Local authorities who choose to increase their council tax will not be eligible for the grant scheme. The Spending Review already provided £650 million a year of funding to local authorities to freeze their council tax in 2011-12.
- 5.7 All local authorities (including police and fire authorities) took up the grant scheme in 2011-2012, meaning there was no increase in the average Band D amount households had to pay.
- 5.8 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 2012-13 onwards.
- 5.9 A 1% increase in council tax equates to around £40,000 in council tax income for West Devon Borough Council.
- 5.10 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

- 5.11 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
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

COUNCIL TAX LEVELS FOR 2012-2013

- 5.12 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.

- 5.13 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.
- 5.14 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 2012-13, 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.
- 5.15 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 2012-13 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 2012/13 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 2012-13, although they may in future years.

COUNCIL TAXBASE AND COUNCIL TAX SURPLUS CALCULATION

- 5.16 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 2012-13. 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.
- 5.17 Any increase in taxbase is taken into account in the government grant settlement each year.
- 5.18 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 £113,844. This will drop back down again to levels around £50,000 in future years.

6. OVERALL POSITION – BUDGET GAP

- 6.1 Appendix A illustrates the overall financial forecast for the forthcoming four years. Although the Council's Net Budget is in the region of £7.8 million, the Gross Expenditure of the Council is around £21 million.
- 6.2 Appendix B shows the budget position after taking into account the budget pressures, inflation, savings and a reduction in Government Formula Grant.
- 6.3 Table 1 below shows our budget position for 2012-2013.
- 6.4 A Summary forecast is shown below of the potential budget situation if all of the budget pressures and the discretionary bid 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 budget pressures – as per Appendix A	197,500
Add discretionary bid – 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

- 6.5 The funding available for 2012/2013 is as follows:-

Funding available:	Amount (£)
Government Grant (as per Appendix B)	3,074,762
Collection Fund Surplus	113,844
Income from Council Tax	
Assumes a Nil council tax increase for 2012-13 for modelling purposes only (The current Band D Council Tax for West Devon Borough Council is £192.15 for 2011-12)	4,038,876
Income from either:-	
i) The Council Tax Freeze Grant for freezing Council Tax in 2012/13 (Band D remains at £192.15)	101,623
Or ii) Increase Council Tax by 2.5% -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	

Funding from New Homes Bonus (see Section 7)	200,000
Total funding available for 2012/13 (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 2011/12 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 2012/13 is £892,542. The diagram below shows how the amount will rise as the grant rolls forward.

An estimated figure of £250,000 has been provided for future years purely for illustration purposes.

	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 grant is cumulative and a bonus is payable for a six year period. As stated in 2.10, Formula Grant is likely to be replaced with business rates retention and new homes bonus from 2013-14 onwards.

7.4 Proposed Allocation of the New Homes Bonus (NHB) for 2012-13

Total Allocation for 2012-13	£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 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 2011/12, 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 2011/12, due to the front-loading of grant reductions.

7.5 As part of the Budget Setting Process for 2012/13, 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 2012-13.

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.

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 2011/12 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 (reported to Members at Strategies & Resources Committee on this agenda in the Budget Monitoring report)	75,000
Add: Recycling credits generated in 2011-12 replenishing reserves (See revenue budget monitoring report on this agenda)	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. SUMMARY, NEXT STEPS AND CONCLUSION

9.1 **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.

9.2 **Consultation** – We are consulting with all stakeholders including town and parish councils, the business community and the general public on expenditure priorities.

9.3 **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.

9.4 **Online Survey** – The Council also had an on-line website survey on the Budget available since the end of November.

9.5 **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.

- 9.6 The feedback from all of these events as 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.
- 9.7 **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.
- 9.8 **Financial Strategy assumptions** – These will be kept under review over the coming months and any new information will be amended in the forecast.
- 9.9 **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 2010/11
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 2012/13
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 9.10)</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 2012/13

9.10 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 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 9th February 2012.

10 STRATEGY LOOKING AHEAD

10.1 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

11. LEGAL IMPLICATIONS

11.1 In accordance with the Council's Delegation Scheme, the Strategies & Resources Committee is responsible for recommending to Council the budgetary framework. In accordance with the Financial Procedure Rules, Council must decide the general level of Reserves and the use of Earmarked Reserves.

12. FINANCIAL IMPLICATIONS

12.1 The financial implications are as set out within the Financial Strategy.

13. 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>

	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.
Issues/Obstacles/Threats	Control measures/mitigation
<p>Failure of Council to set lawful budget.</p> <p>Failing to target budgets to service priorities.</p> <p>Failure to maintain a comprehensive budgetary control review system. Including monitoring of material items of income and expenditure.</p> <p>Reducing level of Government grant</p>	<p>All budget bids and 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 quarterly monitoring of performance to management and the Strategies & Resources Committee.</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>

14. 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 Strategies & Resources Committee – 15 November 2011 – Revenue Budget Update for 2012-13
Appendices attached:	Appendix A – Budget Pressures and Savings Identified Appendix B - Modelling of the Financial Strategy Appendix C – Schedule of Earmarked Reserves Appendix D – Budget Consultation responses – To follow

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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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Line No.	Base 2011/12 £	Yr1 2012/13 £	Yr2 2013/14 £	Yr3 2014/15 £	Yr4 2015/16 £
1	7,788,503	7,788,503	7,529,105	7,186,760	7,025,024
2		197,500	187,000	186,000	187,000
3		12,500			
4		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 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 either i) the Council Tax Freeze Grant for freezing council tax in 2012/13 or ii) Increase Council Tax by 2.5%		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

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Reserve	Purpose	At 1/4/2011
		£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

	Type *	Rank	Reduce %	Maintain %	Increase %
Service:			%	%	%
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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WEST DEVON BOROUGH COUNCIL

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6

NAME OF COMMITTEE	STRATEGIES & RESOURCES
DATE	24 JANUARY 2012
REPORT TITLE	2011/12 REVENUE BUDGET MONITORING AS AT 31st DECEMBER 2011
Report of	CHIEF ACCOUNTANT
WARDS AFFECTED	ALL

Summary of report:

To give Members an indication of the potential year end financial position of West Devon Borough Council for 2011/2012 and to bring to Members' attention any significant variations from budget. This report enables Members to monitor income and expenditure variations against the approved budget for 2011/12.

Financial implications:

The report details the latest financial position of the Council's Revenue Budget, as at 31st December 2011. Currently there is predicted to be an underspend of £75,000 at the year end.

RECOMMENDATIONS:

Members are asked to note the contents of this report which details the forecast income and expenditure variations for the 2011/2012 financial year.

Officer contact:

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

1. BACKGROUND

- 1.1 The Chief Accountant has consulted with responsible budget officers and has used the financial position at 31st December 2011 to establish the position at the end of the third quarter.

- 1.2 Members should be aware that this process involves a certain amount of estimation and assumption. As such the results should be considered as a 'best prediction' but may be subject to change before the year end.

2. LEGAL IMPLICATIONS

2.1 Under the Council's Scheme of Delegation, the Strategies & Resources Committee is responsible for the control of the Council's revenue expenditure. Under 3.12 of the Financial Procedure Rules, the Head of Finance is responsible for providing revenue monitoring reports to the Committee, detailing the latest position of the Council's revenue spend.

3. FINANCIAL IMPLICATIONS

3.1 **Actual revenue expenditure and income is expected to be under budget by £75,000, when compared against the total budget set for 2011/2012.** The net budget is £7.8 million and the Gross Budget of the Council is over £21 million.

3.2 Table one below provides an analysis of the current, projected year end variances against budget.

Variations	Increase / (decrease)	Note
Expenditure variations		
Shared Services savings target	(80,000)	A
Salary under spends	(20,000)	B
Waste Management	(120,000)	C
Swimming Pool – over spend	20,000	D
Revenue and Benefits Service	(30,000)	E
Income variations		
Planning – reduced income	75,000	F
Accommodation and Utilities – reduced income	60,000	G
Car Parking – reduced income	20,000	H
Anticipated underspend	(75,000)	

3.3 **Note A – Shared Services savings target** – In the budget setting process for 2011/12, West Devon Borough Council set a target for savings from shared services of just over £110,000. In November 2010, the Chief Executive for West Devon Borough Council and South Hams District Council carried out the senior management review to rationalise the structure and achieve efficiency savings.

3.4 In March 2011, a new management team, shared with South Hams District Council was appointed. Two Corporate Directors and seven Heads of Service are now working across both Councils and the new team replaces four directors and fifteen service heads.

- 3.5 West Devon Borough Council's share of these savings is approximately £175,000. In addition there are further shared service savings of £15,000. Therefore the savings will exceed the savings target set in West Devon Borough Council by around £80,000.
- 3.6 **Note B** – There are also some small expected underspends in salaries generally for the year, totalling £20,000.
- 3.7 **Note C – Waste Management** - There will be an under spend in the waste management budget. This is currently estimated to be in the region of £120,000. The breakdown of this is shown in Table Two below.

TABLE 2 – Details	Amounts
Further certainty of contract costs	£50,000
Additional recycling credits	£60,000
One off additional income from the tipping of food waste	£70,000
Total predicted under spend	<u>£180,000</u>
Less payback reserves – see details below	<u>(£60,000)</u>
(Approved by Environment & Community Committee on 15 th June 2010 and Council on 29 June 2010).	
Under spend shown in Table 1	<u>£120,000</u>

- 3.8 Further certainty of contract costs has enabled the full budget provision not to be required. Contract negotiations relating to fine contract detail were still being agreed during 2010/2011, outcomes from these further improved the contract cost position. There are £50,000 on-going savings on rates, salaries and maintenance costs.
- 3.9 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).

- 3.10 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 for 2012/13 by £60,000 and replenish reserves in this financial year 2011/12 by the same amount. Therefore Table One shows the additional recycling credits of £60,000 being generated and reserves being paid back by this amount.
- 3.11 In addition, unforeseen income from an initiative involving the tipping of the food waste has generated an additional £70,000 of income, which is a one-off under spend.
- 3.12 **Note D – Swimming Pool expenditure** – Essential works are taking place to meet Health and Safety requirements and building security issues. This will result in a predicted overspend at the year end of £20,000. A full condition survey will be initiated before the year end to enable a structured way forward and this will form part of the capital programme for 2012/13 to 2014/15.
- 3.13 **Note E – Revenue and Benefits Service** – Due to the new shared service set up, it is predicted that savings in the region of £30,000 will be made in this financial year. There is a £20,000 saving on the IT maintenance support costs for Academy (the revenues and benefits software system). In addition, £10,000 of the £30,000 outreach fund is underspent and can be offered up as a saving.
- 3.14 **Note F - Planning Income** – In the budget setting process it was expected that new legislation was to be introduced to planning. The proposed changes to the planning application fees regime would decentralise responsibility for setting fees to local planning authorities. However this legislation has not materialised in time for 2011/12 and the income is therefore not achievable this year. The increase in planning fees for the new legislation predicted in the budget was £50,000. In addition, overall planning fee income levels are lower than expected and therefore the predicted over spend is £75,000.
- 3.15 **Note G – Accommodation and Utilities** is likely to be over spent for the current financial year by approximately £60,000. Rentals have not been as forthcoming as expected for the upstairs and downstairs lettable units but it should be noted that a new tenant for the downstairs lettable unit is currently being secured with a proposed rent of £15,000 per annum.
- 3.16 **Note H – Car Parking income** - As reported to the Environment & Community Committee on 17 January 2012, it is forecast that actual car parking income will be £809,623, against a budget of £844,920 giving an over spend of £35,297. It is therefore predicted that the Council will achieve 95% of the income target. By limiting expenditure to Health & Safety requirements only, the over spend will be reduced to £20,000.

4 OTHER INCOME LEVELS

- 4.1 **Building Control** – Building Control has been greatly affected by the recession with income levels being much lower than previous years and the budget for 2011/12 has been modified for this change in circumstances. As a result for the nine months to 31st December 2011 the budgets are on target.
- 4.2 **Land Charges** – The actual income achieved in the 9 months to 31st December 2011 was £56,000 against a budgeted income level of £70,000. This will be kept under review.
- 4.3 **Estate Management** – Rental income of estates is currently predicted to be on target for the year end. The actual income achieved in the 9 months is £185,000 against a budgeted income level of £146,000. However as at December 2011 there are 8 units out of 15 occupied at Tavy Business Centre, Pitts Cleave and 12 units out of 16 occupied at Okehampton Business Centre.

5. UNEARMARKED REVENUE RESERVES

- 5.1 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 (As detailed in this report)	75,000
Add: Recycling credits generated in 2011-12 replenishing reserves (As detailed in section 3.10 of this report)	60,000
Forecast level of unearmarked reserves	948,000

6. **RISK MANAGEMENT** - The risk management implications are addressed in the report.

7. OTHER CONSIDERATIONS

Corporate priorities engaged:	The report meets the corporate priorities as they are all implicit within the budget setting process.
Statutory powers:	See Section 2
Considerations of equality and human rights:	n/a
Biodiversity considerations:	n/a
Sustainability considerations:	n/a
Crime and disorder implications:	n/a
Background papers:	None
Appendices attached:	A - Income generation report

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APPENDIX A

INCOME GENERATION

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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)

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WEST DEVON BOROUGH COUNCIL

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NAME OF COMMITTEE	Strategies & Resources
DATE	24 January 2012
REPORT TITLE	Capital Programme 2012/13-2014/15
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, and recommend the budget to Council in February.

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 to Council:

- 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.

2. CAPITAL PROGRAMME 2012/13 – 2014/15

- 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.

3. FUNDING POSITION

- 3.1 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)

4. CAPITAL BIDS 2012/2013

4.1 Leisure Centre Bids

These items are explained further in Appendix B.

4.2 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, aswell 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 2012/13 was agreed at Full Council on 15th Feb 2011, this bid refers to bids for 2013/14 and 2014/15.

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 11/12 and 12/13 was agreed at Full Council on 15th Feb 2011, this bid refers to bids for 13/14 and 14/15.

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 an 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 2011/12 comprised of a Government Grant of £174,000 and a carry forward of unspent DFG capital of £100,000 from 2010/11 (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 2010/11 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 2011/12 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 2011/12 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 2011/12 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 2012/13 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 2012-13 and further details are set out in the Revenue Budget Setting report for 2012-13 on this agenda of the Strategies & Resources Committee meeting.

Proposed Allocation of the New Homes Bonus (NHB) for 2012-13

Total Allocation for 2012-13	£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 Under the Council's scheme of delegation, the Strategies & Resources Committee is responsible for the control of the Council's capital expenditure. Under 3.12 of the Financial Procedure Rules, the Head of Finance is responsible for providing capital monitoring reports to the Committee, detailing the latest position of the Council's Capital Programme.
- 6.2 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 2012/13 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.

9. OTHER CONSIDERATIONS

Corporate priorities engaged:	The report meets all the corporate priorities as they are all implicit within the budget setting process.
Statutory powers:	Local Government Act 1972, Section 151
Considerations of equality and human rights:	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 2012/13 – 2014/15 B - Exempt – Leisure Centre Capital Bids C - Exempt – Leisure Centre Capital Bids

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NAME OF COMMITTEE	West Devon Borough Council Strategies & Resources South Hams District Council Executive
DATE	West Devon - 24 January 2012 South Hams – 26 January 2012
REPORT TITLE	New Website
Report of	Head of ICT and Customer Services
WARDS AFFECTED	All

Summary of report:

To advise Members of the capital and revenue costs associated with the procurement, development and implementation of a new website. This project falls within the 2015 Programme.

Financial implications:

The capital required from both councils combined is £80,000. This figure includes procurement of the new software and professional services for implementation and training. The first year and ongoing revenue costs for support and maintenance are £18,000, for both councils combined.

RECOMMENDATIONS:

West Devon

That the Strategies & Resources Committee approves the proposal and recommends to Council:-

- i) To approve the expenditure required to proceed with procurement and implementation of the new website
- ii) That the cost of the new website is 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.

South Hams

That the Executive approves the proposal and recommends to Council:-

- i) To approve the expenditure required to proceed with procurement and implementation of the new website
- ii) That the cost of the new website is funded from the ICT Earmarked Reserve

Officer contact:

Darren Cole, ICT & Customer Services Manager

01822 813626 darren.cole@swdevon.gov.uk

Lisa Buckle, Head of Finance & Audit

01822 813644 lisa.buckle@swdevon.gov.uk

1. BACKGROUND

- 1.1 At present South Hams and West Devon each operate their own web sites and content management software. The content management systems at both sites are at end of their life and due for replacement.
- 1.2 In March 2010 the Joint Services Group suggested 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”.
- 1.3 In September 2011 a survey to Members and staff identified a Website Project as the top priority for the 2015 Transformation Programme.
- 1.3 This strategic project will deliver a new website for West Devon and for South Hams councils and customers. There will be a new look and feel front end with up to-date good quality information and where appropriate, online transactional capabilities. The website will be available via the widest range of PC, Mac and mobile based browsers and will use modern technologies. It will also improve communications with local communities and groups who will be able to use Microsites offered by the new software.
- 1.4 The main driver to procure a product that comes with ready built functionality is time and resource. Unlike bespoke simple websites that may look nice but only consist of a few pages and limited functionality. Our requirement is a fully secure, easily navigated site consisting of several thousand pages. It must interact with our back office systems to allow customers to provide information and receive services electronically. It must be fully supported to allow 24 hour access as well as supporting micro sites, forums and other social media.
- 1.5 The project so far has consisted of a desk based research exercise to determine the predominant suppliers by market share of content management systems to UK Local Authorities. Typically these suppliers have large Local Authority user bases, many years experience of the operational demands and user expectations for council web sites, and applications to meet specific requirements such as committee minutes and agendas, already available as part of their solutions.
- 1.6 Suppliers based locally in Devon were also considered, only one proved able to demonstrate local authority experience or applications. “Open Source” solutions were considered including those promoted by the Society of IT Managers (SocITM). These solutions comprise toolkits from which to assemble a content

management system. They have the potential attraction of no initial or on-going licence charges. However, these solutions were dismissed on the following grounds: There is a lack of any in house skills and experience in these products. External expertise in development implementation and support is an expensive commodity. Training of in house staff would be expensive and time consuming, introducing a considerable delay to the delivery of a new web site. Open Source solutions have very little presence in local authorities due to their lack of support and pedigree.

- 1.7 Five suppliers were invited to take part in a Market Testing exercise. This process allowed a rapid assessment of the products on offer and an evaluation of a likely budget. The process also enabled a specification to be developed of essential requirements
- 1.8 Subsequently, with guidance from the corporate procurement officer, we held a competitive tendering exercise through the *Supplying the South West* electronic procurement portal. We received four responses from the five organisations who had taken part in the market testing exercise.
- 1.9 Through a process of scoring and analysis, 2 suppliers were selected as front runners and additional questioning and clarification was sought before a final supplier was selected.
- 1.10 West Devon currently has £35,000 in its budget available as capital for a new web site. This was approved for 2008/09 but was postponed, pending shared services and a joint approach to the new website. South Hams has no current approved budget, but this report seeks to gain approval to fund the project from the ICT Development Reserve in accordance with the agreed procedure.
- 1.11 At West Devon, the replacement of the Content Management System has been identified as a priority; it has been a very cost effective system but now requires significant monitoring and maintenance. All maintenance is carried out internally without any third party support. The software is now officially de-supported and this presents a risk to the availability of the site if a software failure occurred.
- 1.12 The South Hams Content Management System has extended support until 2014 However, the system is dated and no longer provides the functionality required to meet the business requirements. In order to provide a shared content management system a new product will need to be procured.
- 1.13 The new software will retain two separate legal identities serving two separate member bodies and therefore creating a graphically distinct website for each council. However the content will be fed from a central content management system and services will use the same content for both councils whenever possible to reduce time spent on maintenance of current information.

2. ISSUES FOR CONSIDERATION

- 2.1 The implementation of new websites at each council will put the basics in place and considerable further development will then be required to ensure that the full

functionality is utilised. Though West Devon and South Hams has expertise in programming, there is a considerable skills gap in the sort of complex website architecture required. Up skilling of existing staff will take place as part of the project so that future development can be undertaken in-house.

- 2.2 A new website is essential as the first step to enable increased transactional services at both councils.. It is universally acknowledged that website interactions with customers are achieved at a fraction of the cost of either telephone or face to face interactions. A 2010 survey for SocITM found that the average unit cost per transaction for different media was as follows:

Face-to-face £8.23

Telephone £3.21

Website £0.39

- 2.3 In addition the new websites will allow both councils to fully exploit social media and other interactive web technologies that enhance the user experience and provide greater access to information that is tailored to the users interests. Place based information will be developed tailored to the users locality and microsites will be enabled for towns and parishes, the voice initiatives and for individual members to create and maintain should they wish to do so..

3. LEGAL IMPLICATIONS

- 3.1 In conformity with the Councils Procedure Rules and EU requirements a full procurement process has been undertaken.
- 3.2 The placing of the order conforms to the requirements of the Council's own Contract Procedure Rules. The use of reserves is an accounting matter. Only Council has the authority to allow the use of reserves: hence the need for this report to make the necessary funds available for the project.

4. FINANCIAL IMPLICATIONS

- 4.1 Capital costs

Year 1	
Purchase of CMS software	60,000
Implementation	20,000
Total	80,000
SHDC split	40,000
WDDB split	40,000

SHDC capital costs will be met from earmarked ICT reserves, which currently stand at £537,000.

WDDB capital costs will be met from the £35,000 already approved in the Capital programme plus an additional £5,000 extra bid to the Capital Programme.

4.2 Revenue costs

	Year 1 & subsequent years
Support & Maintenance	18,000
Total	18,000
SHDC split	9,000
WDBC split	9,000

SHDC revenue costs will be met from earmarked ICT reserves for the first year and from 2013/14 will be built into the revenue budget.

WDBC revenue costs will be met from within existing budgets due to salary underspends.

5. RISK MANAGEMENT

5.1 Please see the attached risk register.

6. OTHER CONSIDERATIONS

Corporate priorities engaged:	<ul style="list-style-type: none"> • Economy • Community Life
Statutory powers:	None
Considerations of equality and human rights:	None directly related to this report
Biodiversity considerations:	None directly related to this report
Sustainability considerations:	The new website will support the Council's ability to provide cost effective services whilst considering the environmental protection
Crime and disorder implications:	None directly related to this report
Background papers:	None directly related to this report
Appendices attached:	Appendix – Risk register

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**2015 Website Project
RISK REGISTER**

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No	Risk Title	Risk/Opportunity Description	Inherent risk status			Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score		
1	Retaining existing systems	<p>WDBC Content Management System now requires significant monitoring and maintenance. The software is now officially de-supported and this presents a risk to the availability of the site if a software failure occurred or a security flaw was identified.</p> <p>The SHDC Content Management System is still supported but requires constant maintenance to maintain stability.</p>	4	4	16	Procurement of a new Content Management System to replace both systems currently in use. Selection of supplier with proven track record of providing stable and secure products for local government.	Head of ICT & Customer Services
2	Escalating Project costs	There are insufficient funds to complete the project.	5	2	10	Robust procurement exercise completed. Detailed PID with all costings to get an accurate total figure. Early discussions with preferred supplier to clearly identify any potential creep in projected costings. Keep the Programme Board fully briefed to highlight any overspend and the options available as to how overspend can be managed / resolved.	Head of ICT & Customer Services Project Manager

No	Risk Title	Risk/Opportunity Description	Inherent risk status			Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score		
3	Potential to use free 'Open Source' solution	These toolkits have the potential of no initial or on-going licence charges. However, they are mainly developed by volunteers that have no requirement to continue the development, fix issues, ensure security against 'hackers' or provide a longer term solution suitable for the Councils. Few Councils use Open Source content management.	4	4	16	Open Source solutions researched as part of the market testing and procurement process and dismissed due to the high risk factor.	Project Manager
4	Realisation of efficiency savings through channel shift	That potential savings will not be realised through a process of channel shift. This is where customers are directed down an electronic route of service delivery where appropriate as opposed to the traditional telephony and face to face route	3	3	9	Procurement of a system with transactional functionality as part of the core system. Training of existing staff to fully utilise the new system. Detailed work with all services to identify services that can be offered through the website.	Project Manager
5	Resource Implications	Limited resources, project team staff are lost during the implementation period, key staff assigned to other priorities. For example, the Design Office team often get pulled onto other priority work.	4	3	12	Communicate project plan and resource plan to relevant HoS / staff in advance to secure staff needs. Raise as issue with Board if insufficient resources may cause slippage.	Project Manager

NAME OF COMMITTEE	Strategies & Resources
DATE	24th January 2012
REPORT TITLE	Committee Performance Report
REPORT OF	Business Development Manager
WARDS AFFECTED	All Wards

Summary of report:

To inform Members of performance against targets for Quarter 2 of 2011-2012.

Financial implications:

There are no financial implications as a result of this report.

RECOMMENDATIONS:

Members note the Quarter 2 Performance Report

Officer contact:

Dan Butler, Business Development Manager: dbutler@southhams.gov.uk

1. BACKGROUND

1.1 The Council's key performance targets are set out each year in its corporate planning documents and these are monitored quarterly by the four frontline committees using Committee Performance Reports.

2. ISSUES FOR CONSIDERATION

2.1 Appendix A sets out the performance report which includes a schedule of the key performance indicators and targets which fall within the remit of the Strategy & Resources Committee.

2.2 For each performance indicator the following information is made available:

- Actual performance for West Devon for 10-11
- Quarter 1 & Quarter 2 value for 11-12
- Year To Date and Target for 11-12
- Comments on the performance from the Officer responsible for the indicator where appropriate

2.3 Some areas to note:

- Sickness for the period is above target partly due to two instances of long term sickness.
- Percentage of calls taken is up appreciably from last year after the implementation and embedding of the shared contact centre at Follaton House

3. LEGAL IMPLICATIONS

3.1 This report is brought to Committee as the Constitution charges each committee with the responsibility of performance management for the services within its remit.

4. FINANCIAL IMPLICATIONS

4.1 There are no direct financial implications as a result of this report.

5. RISK MANAGEMENT

5.1 The risk management implications are:

Opportunities	Benefits
Accurate performance management information enables the authority to effectively manage its services and meets its targets for service delivery.	Reporting of performance against targets means that the authority can ensure that resources are targeted towards key priority areas and that projects are completed.
Issues/Obstacles/Threats	Control measures/mitigation
There can be delays with the collation of performance information as certain performance indicators due to their nature take time to compile.	Information is made available as soon as it is collated. The Senior Management Team monitor key performance indicators on a quarterly basis to ensure that they are on track to meet their target.
	The reports include Responsible Officer comments and these should detail the reasons behind any successes or poor performance.

Corporate priorities engaged:	Community Life
Statutory powers:	
Considerations of equality and human rights:	There are no equality implications as a result of this report.
Biodiversity considerations:	There are no biodiversity implications as a result of this report.

Sustainability considerations:	There are no sustainability implications as a result of this report
Crime and disorder implications:	There are no crime and disorder implications as a result of this report.
Background papers:	
Appendices attached:	Appendix A – Performance Report

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Community Life Quarter 2 2011-2012 Performance Report

Indicator	Managed By	2010/11	Q1 2011/12	Q2 2011/12	2011/12		Dir. of Travel. Short Term	Dir. Of Travel. Long Term	On Target	Responsible Officer Comments
		Value	Value	Value	Value	Target				
CST 1 Number of visitors to Tavistock Office	Kate Hamp	18,955	4,843	4,705	9,548	-				
CST 2 Number of visitors to OCSC	Kate Hamp	18,636	4,719	4,925	9,644	-				
CST 3 Number of visitors to Outreach	Kate Hamp	3,570	370	1,881	2,251	-				
Page 79 CST 4 Percentage of calls taken	Kate Hamp	87.4%	94%	93%	93.5%	95%				13-Dec-2011 The target is to answer 95% of all calls. Although we have only achieved this once in 12 months the long term trend of this PI is improving and we generally average only a few percent off target.
CST 5 Percentage calls answered in 20 seconds	Kate Hamp	77.3%	74%	68%	71%	80%				13-Dec-2011 The target for this PI is to answer 80% of calls within 20 seconds. This is a target which we generally don't achieve apart from on the very quietest months and would consider anything above 70% to be a reasonable result. This figure is influenced by all Council activity including the sending out of Council Tax reminders and summonses.
BV9 % of Council Tax collected	Kate Hamp	97.80%	30.05%	57.39%	57.39%	56.13%				
BV10 Percentage of Non-domestic Rates Collected	Kate Hamp	97.40%	31.16%	57.65%	57.65%	57.85%				
BV78a Speed of processing - new HB/CTB claims	Paul Eells	17.2	20.2	21.2	20.4	15.0				
BV78b Speed of processing - changes of circumstances for HB/CTB claims	Paul Eells	8.5	13.7	11.6	12.5	7.0				

NI 181 Time taken to process Housing Benefit/Council Tax Benefit new claims and change events	Paul Eells	10.1	14.9	13.6	14.25	13.0				
BV12 Working Days Lost Due to Sickness Absence (average days per full-time equivalents)	Andy Wilson	4.38	2.38	2.12	4.5	3.25				Long term sickness (2 instances, 185 days) accounts for a third of this figure and due to small workforce, a small occurrence still has a large effect on the headline figure
BV8 % of invoices paid on time	Carolyn Haynes	98.96%	98.95%	99.61%	99.30%	98.50%				

Glossary of Performance Indicators:

Local Indicators

CST1 – Number of visitors to Tavistock Office

CST2 – Number of visitors to OCSC

CST3 – Number of visitors to Outreach

(The above all monitor the overall numbers of people calling into each of the three customer contact areas.)

CST4 – Percentage of calls lost: Percentage of calls that are abandoned before being answered. Maybe for a variety of reasons i.e. call not being answered after a certain number of rings, or the customer has decided to abandon for their own reasons i.e. they are interrupted or have dialed an incorrect number. A lower percentage equates to better performance.

CST5 – Percentage of calls answered within 20 seconds: 20 seconds is the Government’s Customer Service Excellence standard for call answering. The indicator records the percentage of calls answered within this time. A higher percentage equates to better performance.

BV8 - % of invoices paid on time: The percentage of non-disputed invoices relating to the provision of commercial goods or services that are paid within either 30 calendar days or any other mutually agreed payment terms. A higher percentage equates to better performance.

BV9 - % of Council tax collected: The percentage of Council tax collected, calculated from the amount received against the amount owed, and reported on a cumulative basis. A higher percentage equates to better performance.

BV10 – Percentage of Non-domestic Rates collected: The percentage of Non-domestic (business) rates collected, calculated from the amount received against the amount owed, and reported on a cumulative basis. A higher percentage equates to better performance.

BV78a – Speed of processing – new HB/CTB claims: The average number of calendar days taken to process new Housing Benefit and Council Tax Benefit claims that lead to an award of either or both benefits. Measured from receipt of the application until the date a full decision is made. Includes any days with delays beyond the Local Authority’s control i.e. claimants failure to provide information requested. Fewer days represents better performance.

BV78b – Speed of processing – changes of circumstances for HB/CTB claims: The average number of calendar days taken to process changes that will affect a claimant’s entitlement to Housing Benefit and/or Council Tax Benefit. Measured from receipt of the application until the date a full decision is made. Includes any days with delays beyond the Local Authority’s control i.e. claimants failure to provide information requested. Fewer days represents better performance.

BV12 – Working days lost to sickness absence: The number of working days lost to sickness absence per FTE (full time equivalent), calculated by the number of sick days against the average FTE for the current financial year. Each part time member of staff is calculated as a percentage of a full time post i.e. someone working 3 days a week will be 0.6 FTE as they work 3/5ths of a full timers hours. You may, for example, have 150 staff, some of whom are employed part time on various hours giving you an FTE of 129.2. Fewer number of days equates to better performance.

National Indicators

NI181 – Time taken to process Housing Benefit/Council Tax Benefit new claims and change events: The average number of calendar days taken to process all new claims and changes of circumstances. Measured from receipt of the application until the date a full decision is made. Includes any days with delays beyond the Local Authority’s control i.e. claimants failure to provide information requested. Fewer days represents better performance.

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Agenda Item 3

At a Meeting of the **STRATEGIES & RESOURCES COMMITTEE** held at **KILWORTHY PARK, TAVISTOCK** on **TUESDAY** the **24th** day of **JANUARY 2012** at **2.00pm**

Present:

Mr P Sanders - Chairman	
Mr J McInnes – Vice Chairman	
Mr W Cann, OBE	Mr R Oxborough
Mr T Hill	Mr P Ridgers
Mrs C Marsh	Mr R Sampson
Miss D Moyse	Mr E Sherrell
Mr R Musgrave	

Substitute: Mr B Baldwin for Mrs M Ewings

In attendance: Mr D Cloke Mr M Harper
Mr T Pearce Mr D Horn

Chief Executive
Corporate Director (AR)
Corporate Director (TW)
Head of Finance & Audit
Head of Assets
Head of ICT & Customer Services
Chief Accountant
Chief Revenue Accountant
Property Services Manager
Member Services Manager

***S&R 33 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Mrs M Ewings (Mr B Baldwin was appointed as substitute).

***S&R 34 URGENT BUSINESS**

The Chairman updated the Committee on a recent meeting with the Secretary of State for Local Government and Geoffrey Cox MP, attended by himself, Cllr J McInnes, the Chief Executive and the Head of Finance and Audit. The meeting focussed on three key issues, being :-

- Rurality and the additional cost of providing services in rural areas
- Welfare reform and concerns for the most vulnerable residents
- The National Planning Policy and Localism

The opportunity was taken to advise the Secretary of State of the particular difficulties faced by West Devon in terms of lack of transport network, the impact of forthcoming changes to the welfare system in terms of the breakdown of type of residents, potential loss of business rates and the success of the Council in achieving savings and efficiencies under Agenda 2000, Gershon and Shared Services.

***S&R 34 CONFIRMATION OF MINUTES**

The Minutes of the Meeting held on 15 November 2011 were confirmed as a correct record and signed by the Chairman.

S&R 35 REVENUE BUDGET FOR 2012-2013

The Head of Finance and Audit presented a report (page 8 to the agenda) which provided Members with an updated forecast of the financial situation for the Revenue Budget for 2012/13. The forecast was intended to provide a framework within which decisions could be made regarding future service provision and council tax levels.

Discussion took place on Appendix D of the presented report which provided Members with a summary of consultation responses. The Committee was advised that the Council had a statutory duty to consult and the responses received had been worked into an action plan for the Council (Appendix D), to ensure that issues raised during the consultation process would be addressed. Other questions related to the inflation figures used and council meetings being available by webcam.

The Committee discussed in more detail the Government's Council Tax Freeze Grant and the implications to the Council in the longer term. To conclude, Members thanked officers for the way the budget and associated information had been presented.

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 2012-13, 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 36 2011/2012 REVENUE BUDGET MONITORING AS AT 31ST DECEMBER 2011**

The Head of Finance and Audit presented a report (page 28 of the agenda) which provided Members with an indication of the potential year end financial position of West Devon Borough Council for 2011/12 and to bring to Members' attention any significant variations from budget. The report predicted an under spend of £75,000 at the year end. The following table provided an analysis of the current projected year end variances against budget:

Variations	Increase / (decrease)	Note
Expenditure variations		
Shared Services savings target	(80,000)	A
Salary under spends	(20,000)	B
Waste Management	(120,000)	C
Swimming Pool – over spend	20,000	D
Revenue and Benefits Service	(30,000)	E
Income variations		
Planning – reduced income	75,000	F
Accommodation and Utilities – reduced income	60,000	G
Car Parking – reduced income	20,000	H
Anticipated underspend	(75,000)	

It was **RESOLVED** that Members note the contents of the report which detailed the income and expenditure variations for the 2011/2012 financial year.

S&R 37 CAPITAL PROGRAMME 2012/2013 to 2014/2015

(Appendices A, B & C - Paragraph 3 – Information relating to the financial or business affairs of any particular person including the authority holding that information)

The Head of Finance and Audit presented a report (page 41 to the agenda) which asked Members to approve the 2012/13 Capital Programme, as shown in Appendix A of the presented report, and recommend the Programme to Council in February 2012. Members were advised that the Capital Bids related to leisure centres and items within the Housing agenda. The proposed allocation of New Homes Bonus was also highlighted.

It was **RESOLVED** that Members **RECOMMEND** to Council that:

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

The Head of ICT and Customer Services presented a report (page 52 to the agenda) which advised members of the capital and revenue costs associated with the procurement, development and implementation of a new website. This project fell within the 2015 Programme. He advised Members that the new website would have the functionality to be future proof for a number of years and would be less labour intensive to fix. Further savings would be achieved by undertaking a shared procurement exercise with South Hams District Council, which would enable shared content management but two distinct front faces.

In response to questions the Head of ICT and Customer Services added that the new website would allow hosting of other sites, and that feedback from users on the new site would be encouraged.

It was **RESOLVED** that members **RECOMMEND** to Council 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.

***S&R 39 REVIEW OF PERFORMANCE INDICATORS**

The Head of ICT and Customer Services presented a report (page 59 to the agenda) which informed Members of performance against targets for Quarter 2 of 2011-12. He advised the Committee that a review of Performance Indicators was currently under way as part of the 2015 Transformation Programme, but the presented report did not reflect this. It did however report on performance of a number of performance indicators allocated to the Strategies and Resources Committee. Members suggested minor alterations to the reporting format.

It was **RESOLVED** that Members note the contents of the report.

***S&R 40 LOCAL GOVERNMENT ACT 1972, SECTION 100(A)(4)**

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

S&R 41 NEW REVENUE AND BENEFITS SOFTWARE CONTRACT

(Paragraph 3 – Information relating to the financial or business affairs of any particular person including the authority holding that information)

The Head of ICT and Customer Services presented a report (page 65 to the agenda) which advised Members of the likely capital and revenue costs and potential savings associated with the procurement and implementation of a new contract to supply both the software and support and maintenance agreements to administer the Revenues and Benefits systems for both Councils. The Head of ICT and Customer Services outlined that this report represented an in principle decision to move forward.

It was **RESOLVED** that Members **RECOMMEND** to Council:-

- i) That the project be added to the Capital Programme for 2012/13; and
- ii) 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.

***S&R 42 STAFFING MATTER – MIDDLE MANAGER'S REVIEW**

(Paragraphs 2 and 4 – Information relating to the financial or business affairs of any particular person including the authority holding that information)

The Corporate Director presented a report (page 71 to the agenda) which informed Members of a decision made under Urgent Powers by the Head of Finance, in consultation with the Chairman of the Strategies and Resources Committee, regarding the approval of West Devon Borough Council's share of the redundancy costs from three redundancies following the Middle Managers Review. The Head of Finance and Audit advised the Committee of the reason for the decision being made under Urgent Powers.

It was **RESOLVED** that the Committee note the decision made under Urgent Powers as outlined in the presented report.

***S&R 43 RE-ADMITTANCE OF THE PUBLIC**

It was proposed, seconded and agreed to re-admit members of the public to the meeting.

(The Meeting Closed at 4.00pm)

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