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WEST DEVON RESOURCES COMMITTEE - TUESDAY, 26TH MARCH, 2013

Agenda, Reports and Minutes for the meeting

Agenda No Item

1. **Agenda Letter** (Pages 1 - 2)

2. **Reports**

Reports to Resources:

a) Item 5 - 2014/2015 Budget (Pages 3 - 20)

b) Item 6 - Transformation Programme - Funding (Pages 21 - 24)

c) Item 7 - Old Mill Site, Okehampton (Pages 25 - 32)

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Agenda Item 1

A G E N D A – RESOURCES COMMITTEE – 26th MARCH 2013

PART ONE – OPEN COMMITTEE

1. **Apologies for absence**

2. **Declarations of Interest**

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

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

3. **Items Requiring Urgent Attention**

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

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MINUTES

4. **Confirmation of Minutes**

Meeting held on 29th January 2013 (previously circulated)

OPERATIONAL

5. **2014/2015 Budget**

Joint report of the Chief Executive and Head of Finance & Audit 1

6. **Transformation Programme – Funding**

Report of the Corporate Director (TW) 15

7. **Old Mill Site, Okehampton**

Report of the Economic Development Officer 19

8. **Write Off Report**

Report of the Head of Finance & Audit 25

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.

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”.

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

Report of the Chief Revenue Accountant

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NOTE: Members are requested to return the Appendices to this report to the Chief Revenue Accountant before leaving the Meeting.

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 813664 or email arose@westdevon.gov.uk

**CAUTION – All figures yet to be finalised.
Will only be confident once establishment,
salary and re-charge costs built in**

AGENDA
ITEM
5

WEST DEVON BOROUGH COUNCIL

AGENDA
ITEM
5

NAME OF COMMITTEE	RESOURCES
DATE	26 MARCH 2013
REPORT TITLE	MEETING THE FINANCIAL CHALLENGE
Report of	CHIEF EXECUTIVE and ACTING HEAD OF FINANCE & AUDIT
WARDS AFFECTED	ALL

Summary of report: The purpose of this report is to offer a way forward to overcome the 2014/15 budget gap of £728,000 and to build an approach that guarantees West Devon Borough Council’s longer term viability.

RECOMMENDATIONS:

That the Resources Committee **RECOMMENDS** to Council:

- (i) that the broad thrust of this report be accepted to bridge the 2014/15 gap by a combination of measures including the use of New Homes Bonus; a presumption not to fill vacant posts as they arise in 2013/14 and further efficiency savings;
- (ii) which, if any, of the potential savings discussed at 3.4.3 should be pursued to enable early notice to be given to affected staff, stakeholders and partners;
- (iii) those elements of earmarked reserves and capital where expenditure trends or commitments indicate it is safe to do so be stripped out, as set out at Appendix A, to free up New Homes Bonus.

Officer contact:

Richard Sheard, Chief Executive, 01803 861363 – richard.sheard@swdevon.gov.uk
 Dan Bates, Acting Head of Finance & Audit, 01822 813644 – dan.bates@swdevon.gov.uk

1. BACKGROUND

1.1 At the Resources Committee on 29 January 2013 Members acknowledged a £2.1m budget gap over the four financial years 2013/14 to 2016/17. Council subsequently approved a budget for 2013/14 reducing the gap by £355,000. The 2014/15 gap of £728,000 was described as particularly challenging and we

agreed that work would start immediately to develop a strategy that would close the 2014/15 gap.

1.2 We intend to report to each Resources Committee this financial year, refining our approach and estimates as we go, seeking Members' approval to specific measures in the year. This will enable us to:

- provide maximum warning of any service reductions to partners and stakeholders
- explore alternative ways of delivering services at a reduced cost
- potentially drive out greater efficiencies; particularly if we revise our approach to holding contingencies in corporate pots rather than in individual service areas

2. THE MEDIUM TERM CHALLENGE

2.1 For the two years beyond 2014/15 we expect savings or further income generation to come from a more focussed Transformation Programme designed to meet the financial challenge. A report elsewhere on this agenda seeks funding to invest up front to carry out "proof of concept" work to help us design a new operating model. One approach advocated in this report will ensure adequate provision is made for future investment to save work.

3. CLOSING THE 2014/15 BUDGET GAP

3.1 The budget gap for 2014/15 reported to Resources Committee on 29 January 2013 was £728,000.

3.2 The gap outlined above takes consideration of known cost pressures netting to £279,000; this takes account of known contractual inflationary increases (eg. Waste contracts), salaries increases and pension liability increases. There are other, as yet uncoded, potential cost pressures in the pipeline such as the leisure contract renewal. As the year progresses, any such pressures will be coded and added to the gap analysis.

Paragraph 3.3 follows on the next page.

3.3 The table below sets out some cautious assumptions about how the gap might be bridged. Members will want to express views at this stage.

DESCRIPTION	2014/15 £000s	COMMENTS
Budget Gap	728	As set out in Appendix B of the Resources Committee report of 20 January 2013.
Measures to bridge the gap		
Council Tax Increase	56	This assumes that Councillors agree to a 1.5% increase in Council Tax in 2014/15.
Increase Council Tax Collection Rate by 0.25%	5	Improvement in performance on Council Tax Collection will enable a higher proportion of Council Tax to be factored into the budget setting process.
Council Tax Support – charging claimants proportion of Council Tax	40	By charging previous Council Tax Benefits to cover the reduction in funding to the Council associated with Council Tax Support. In 2013/14, previous Council Tax Benefit claimants receive no Council Tax bill.
Rates Growth	25	Estimate based on modest business rates growth. This estimate will be reviewed throughout 2013/14 as the localised business rates system becomes established.
Rates Pooling	30	Estimate based on advice by external consultants on the benefits which will accrue from the Devon Business Rates Pooling arrangements.
Scouring Budgets for Savings	100	Early tentative estimate based on an on-going exercise to look at budgets on a line by line basis as well as an organisation wide basis. Estimate based on possible savings where lines have consistently underspent in previous three years or where establishment posts have remained vacant for a significant period of time.
Vacancies Freeze	91	See 3.4.1 below. Based on presumption that all future vacancies that arise will not be filled, other than in exceptional circumstances.
New Homes Bonus	100	Additional New Homes Bonus for year four based on additional reward in year three.
Potential Deferred Savings	102	As set out in 3.4.3, a number of savings were identified as part of the 2013/14 budget setting process but were deferred for consideration over the next year
Total of Measures to Bridge the Gap	551	
New Homes Bonus that will be needed to balance the 2014/15 budget	177	

3.4 It would be helpful to secure decisions at this meeting on:

3.4.1 The presumption against filling vacant posts. At the moment each vacancy is reviewed but the presumption is in favour of refilling. It would be beneficial to agree with immediate effect a revised policy that presumes vacant posts are **not** filled unless SMT agrees, based on specific criteria around impacts on performance, income generation, etc. Our cautious estimate is that six vacancies left unfilled over a year will generate savings of £168,000 per annum based on £28,000 average salary and on costs. We presently budget for a vacancy factor of £77,000. This approach will therefore provide a further net £91,000

3.4.2 The principle of using New Homes Bonus to underpin the base budget. This was not the original intention of New Homes Bonus but its use in this way will ensure we remain viable until further savings or income generation replace it in future budgets.

3.4.3 The potential savings deferred from the 2013/14 budget, ie:

Closure of TICs	potentially saving £50,000 pa
Economy Service reduction	potentially saving £20,000 pa
Ending Giro payments	potentially saving £18,000 pa
CVS grant reduction	potentially saving £8,500 pa
Discretionary rate relief reduction	potentially saving £5,500 pa
Total Potential Savings	£102,000 pa

The above list is not exhaustive and does not preclude additional initiatives for identifying potential further savings or additional income.

3.4.4 A different approach to capital and earmarked reserves.

Having looked at three year expenditure trends, SMT concludes that we should be much more aggressive in our monitoring to ensure that if budgets set aside are not spent or committed within a reasonable timescale they should be re-directed. The schedule at Appendix A shows a substantial one off saving that can be redirected:

- (a) to help bridge the 2014/15 revenue budget gap, and
- (b) to invest to save opportunities to meet the new Transformation Programme requirements.

3.5 The budget scouring figure of £100,000 is indicative at this stage. SMT believes it is achievable by tightening up on a number of historic budget heads that get lost in individual service budgets but when tackled corporately have the potential to release more savings. Additionally, a decision to remove long held vacancies from the establishment will release budgetary savings. This theory can be tested by applying new disciplines to the 2013/14 budget. If it works there will be a bonus saving leading into the 2014/15 budget.

- 3.6 However, we need to be cautious because in previous years actual expenditure has usually been very close to budget. There is a risk that we overspend but we will mitigate this by tight monitoring and more flexible use of the general reserve in future.
- 3.7 The opportunity has been taken during this exercise to ensure that budget lines and amounts reflect actual expenditure, viring as necessary within the Council's delegated arrangements. The opportunity has also been taken to ensure budgets, such as car park income, that have been over optimistically set, have been re-adjusted to deal with future risks.
- 3.8 As 2013/14 progresses we will be taking other steps to:
- ensure we are putting options to Members to recover full costs of services like licensing, land charges and building control fees where we are allowed by statute to recover these costs;
 - revise the way Members monitor revenue, capital and the use of earmarked reserves to provide more information on commitments as well as actual expenditure.
- 3.9 Taken together the savings outlined in the table in 3.3 and the deferred savings set out in 3.4.3 amount to £551,000. All things being equal, this would necessitate the use of an additional £177,000 in New Homes Bonus. However, with the resources released from earmarked reserves and capital programme underspends, as set out in 3.4.4, there is financial headroom should Members want to reconsider the measures set out in the table at 3.3.

4. CONCLUSION

- 4.1 In conclusion we can say that our concern about long term viability recedes if we adopt this approach but it relies on even tighter control of expenditure and a political decision to use significant amounts of New Homes Bonus to support the base budget.
- 4.2 The more optimistic medium term challenge therefore becomes "how can we drive out efficiencies so that New Homes Bonus reliance is reduced?" rather than "how do we remain viable?"
- 4.3 We will need a more focussed Transformation Programme to cover the additional funding gap from 2015/16.

4. LEGAL IMPLICATIONS

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

5. RISK MANAGEMENT

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

6. OTHER CONSIDERATIONS

Corporate priorities engaged:	A balanced budget underpins the Council's capacity to deliver its corporate priorities.
Statutory powers:	Local Government Act 1972, Section 151
Considerations of equality and human rights:	At the time of writing, an equality impact assessment of this report is being undertaken and the results of this will be reported verbally at the meeting.
Biodiversity considerations:	None directly related to this report.
Sustainability considerations:	None directly related to this report.
Crime and disorder implications:	None directly related to this report.
Background papers:	Report to Resources Committee on 29 January 2013 on Revenue Budget 2013/14.
Appendices attached:	Appendix A – Earmarked Reserves and Capital Programme Underspends where resources are unlikely to be used Appendix B – Further information on Tourist Information Centres (para 3.4.3 refers) Appendix C - Further information on Economy Service (para 3.4.3 refers) Appendix D - Further information on CVS (para 3.4.3 refers)

STRATEGIC RISKS TEMPLATE

No	Risk Title	Risk/Opportunity Description	Inherent risk status				Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel			
1	Robustness of medium term financial strategy and service blue-prints	<p>Not achieving financial savings as anticipated</p> <p>2014/15 will see a further significant reduction in formula funding.</p> <p>External change to the national economic environment which may impact on our funding expectations.</p> <p>Implications of changes to the funding of local government through locally collected business rates and revenue support grant.</p> <p>Effect of the localisation of council tax.</p> <p>Achieving anticipated income targets in the current financial climate.</p>	5+	3	15	↔	<p>Corporate engagement in the development of the medium term financial strategy.</p> <p>Service commitment to business planning processes.</p> <p>Robust horizon scanning to monitor changes in Government policy.</p> <p>The Council responded to the consultation on the localisation of business rates and will carry out regular monitoring during the financial year to ascertain the effect of the new scheme on the Council's finances. (see Risk No. 2 below)</p> <p>Monitoring of corporate income streams and revenue budgets.</p>	<p>H of Finance & Audit</p> <p>Corporate Director (TW)</p> <p>Corporate Director (AR)</p> <p>H of F&A</p> <p>H of F&A</p>
2	Income	The figures for income	5	3	15	↔	The position will be monitored by	H of F&A

No	Risk Title	Risk/Opportunity Description	Inherent risk status				Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel			
	from Business Rates	<p>from Business Rates are best estimates at this date (the NNDR1 return forecasts Business Rates for the forthcoming year). Predictions could vary by £100,000.</p> <p>The figures are subject to volatility both from business rating appeals and from the economic climate.</p> <p>It is understood that a number of city based local authorities have threatened a Judicial Review in respect of the appeals allowance built into the localised business rates system. A successful Judicial Review might impact unfavourably on West Devon's localised rates position and the amount that is retained locally.</p>					<p>the Head of Finance and Audit.</p> <p>The quarterly Revenue Budget Monitoring reports will monitor Business Rates income against projections. Any variances will be highlighted to Members at an early stage.</p> <p>The Council is part of a Devonwide Pooling arrangement for business rates and the anticipated gains from pooling of £29,000 have not been built in the base budget funding as this income is not guaranteed.</p>	
3	Setting a lawful budget	Failure of the Council to set a lawful budget	5	1	5	↔	The Budget is compiled in accordance with best practice guidelines issued by CIPFA and the Government. The final budget report includes an assessment from the Section 151 Officer on the	Head of Finance and Audit

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

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Appendix A – Earmarked Reserves and Capital Programme Underspends where resources are unlikely to be used

An SMT review of Earmarked Reserves and the existing Capital Programme has revealed a number of areas where resources previously earmarked for specific purposes can now be released in order to fund emerging priorities such as the 'Invest to Save' Reserve in order to resource the transformation programme.

Earmarked Reserves	
Outreach	5,000
Customer Services	11,000
Document Management System	23,000
Okehampton Depot	40,000
Communications	6,000
Elections	20,000
Young People	5,000
Tax Freeze	25,740
Maternity	10,000
Community Safety	6,000
Environmental Health	30,000
Total	181,740
Capital Programme	
Members ICT	2,400
Waste	40,000
Guildhall Toilets	25,000
Okehampton Depot	22,000
Land Stabilisations	19,251
Private Sector Renewals	100,000
Historic Building Grants	2,000
Disabled Facilities	210,000
Total	420,651
Overall Total	602,391

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TOURIST INFORMATION CENTRES**Background**

The Council funds and manages two Tourist Information Centres, located in Tavistock and Okehampton. In 2012/13 the TIC contributed approximately £57,500 to the local economy. That said footfall to the TICs has declined by over 9,000 people over the past 3 years and booking by £13,000 for the same period – this can largely be attributed to the rapid rise in internet use and online bookings.

Savings to date

The TICs have driven out all feasible savings over the last 2 years by changing staff contracts, fine tuning opening hours, reviewing rental agreements and streamlining retail operations. In year savings for 2012/13 equated to £15,000.

Income

The TICs achieved an income of approximately £12,000 in 2012/13 and an ambitious target of £15,000 additional income has been set for 2013/14. Whether the TICs achieve £27,000 income for 2013/14 is debateable; nonetheless a concerted effort will be made to meet this target by increasing advertising opportunities and proactively encouraging visitor donations.

Service Cost

The TICs are never likely to be cost neutral, even if the ambitious income target is achieved for 2013/14 the TICs will still cost the Council £35,000 net to operate - a notable figure for a non statutory service.

TIC Closure

While the Council continues to operate the TICs there is no imperative for the private sector or other body to intervene. If the Council were to close the TICs a vacuum would be created thus allowing another party to step in.

If Members were minded to close the TICs it would be prudent to make the closure date known as soon as possible, thus allowing sufficient lead time for another provider to plan service delivery. Open and timely communication would also protect the Council's reputation and would hopefully allow continued service delivery as a seamless handover could be planned.

To achieve further savings Members might like to consider closing the TICs in year. It is suggested that the TICs could be closed at the end of the main season (end of October). In doing so the Council would save not only on operating costs but on redundancy costs too, which for March 2013 are estimated to be £23,656. Prolonging a decision about TIC closure would mean staff accrue higher redundancy entitlement.

Conclusion

The majority of TICs are not operated by district/borough authorities. The TICs are not a statutory service and the sooner a decision is made about TIC closure the greater the savings to be made.

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ECONOMY SERVICE

To achieve a £20,000 saving on the Economy revenue budget a redundancy would need to be made equivalent to 0.6 fte. Obviously there would then be a shortfall of 3 days a week officer time and this would significantly impact on the ability to deliver the existing Economy Delivery Plan. The Delivery Plan would need to be reviewed and re-focussed as it would not be possible to deliver the same level of service. Members would therefore have to decide which of the following they would like to reduce to achieve the 3 day saving:

Engaging businesses: <i>Business Voice forum, e newsletters, local chambers, BIDs and FSB engagement</i>	2.5 days
Maximising funding opportunities: <i>EU funding, Heritage Lottery, Dartmoor LEAF, Council Grant Schemes</i>	2 days
Developing sectors and supply chains: <i>Supporting key existing sectors and networks and developing local supply chains</i>	3 days
Workforce development: <i>Keep abreast of initiatives and signpost opportunities to the business community</i>	0.25 days
Business support and advice: <i>Procure, monitor and signpost to businesses a business support and advice service</i>	0.5 days
Community led planning: <i>Engage in shaping business community led plans and inform the local plan process</i>	3 days
Strategic working: <i>Develop and review the Economy Delivery Plan to complement partner activity</i>	2 days
Research and intelligence: <i>Identify necessary research about the local economy to inform Council policy</i>	1 day
TOTAL days	14.25

Note, there is already a shortfall in existing officer resource to deliver the Economy Delivery Plan. 14.25 days officer time per week is allocated to the Plan yet existing paid officer resource equates to 11.75 days.

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RESOURCES COMMITTEE BUDGET REPORT

WEST DEVON COMMUNITY & VOLUNTARY SERVICES (WDCVS)

The Council currently makes a funding contribution of £8,500 per annum to the West Devon CVS to enable the achievement of specified outcomes to promote community and voluntary action in West Devon.

There is a service level agreement (SLA) in place to ensure that funding is used for the agreed purpose. Monitoring meetings take place 6 monthly and a report is presented to Overview and Scrutiny annually. Members last received a report in January 2013. The Committee may also choose to invite a representative of the CVS to attend a meeting of the Committee to present on their work and how it is achieving outcomes for West Devon.

The SLA is a rolling one, which means that at the end of the term, should a review not take place the existing SLA continues under the same terms. A three year agreement ending 31st March 2013 has just been reviewed and revised outcomes are being incorporated based on the Devon County Agreement. The SLA has initially been renewed for one year with the ability to extend for up to a further 2 years. The Council is required to give at least 6 months notice to terminate the agreement.

Best Value Statutory Guidance issued by the Government in September 2011 sets out clear expectations for Councils considering changes to funding for local voluntary and community groups. Some key points from the guidance are listed below:

“Government is committed to the principles in the renewed National Compact - the agreement which aims to ensure that Government and civil society organisations work effectively to achieve common goals and outcomes for the benefit of communities and citizens in England.

Under the Duty of Best Value authorities should consider overall value, including economic, environmental and social value, when reviewing service provision.

To achieve the right balance – and before deciding how to fulfil their Best Value Duty – authorities are under a Duty to Consult representatives of a wide range of local persons; this is not optional.

Authorities should be responsive to the benefits and needs of voluntary and community sector organisations of all sizes.

Authorities should seek to avoid passing on disproportionate reductions - by not passing on larger reductions to the voluntary and community sector and small businesses as a whole, than they take on themselves - and in particular:

- An authority intending to reduce or end funding (where ‘funding’ means both grant funding and any fixed term contract) or other support to a voluntary and community organisation or small business should give at least three months' notice of the actual reductions to both the organisation involved and the public/service users.

- An authority should actively engage the organisation and service users as early as possible before making a decision on: the future of the service; any knock-on effect on assets used to provide this service; and the wider impact on the local community.
- Authorities should make provision for the organisation, service users, and wider community to put forward options on how to reshape the service or project. Local authorities should assist this by making available all appropriate information, in line with the government's transparency agenda".

It could be argued that the work the CVS undertakes supporting local community and voluntary groups helps them build capacity to enable the delivery of the Localism agenda and reduces approaches to the Council for advice and support; an example of this might be signposting and advising local groups of funding options and assisting with funding bids.

The Government guidance and the value local communities and the Council receive from supporting the CVS will need to be considered when making funding decisions.

AGENDA ITEM 6

WEST DEVON BOROUGH COUNCIL

AGENDA ITEM 6

NAME OF COMMITTEE	RESOURCES
DATE	26 MARCH 2013
REPORT TITLE	Transformation 2018 – Proof of concept work
Report of	Corporate Directors (TW & AR)
WARDS AFFECTED	ALL

Summary of report: The purpose of this report is to request up to £25,000 to enable the council to engage external assistance to prove the concept of a new operating model for future delivery of its services. South Hams District Council Executive will likewise be requested to approve the same sum of £25,000 at their meeting of the 21st March 2013, giving a total of up to £50,000.

RECOMMENDATIONS:

The Resources Committee **RESOLVES:**

- (i) that up to £25,000 from the Invest to Save fund be invested in proof of concept work to enable a business case to be developed to be presented to Council in the autumn of 2013.
- (ii) that the decision as to which organisation to engage, to deliver the proof of concept work, will be delegated to the Chief Executive.

Officer contact:

Tracy Winser, Corporate Director, 01803 861389 – tracy.winsler@swdevon.gov.uk
 Alan Robinson, Corporate Director, 01822 813629 – alan.robinson@swdevon.gov.uk

1. BACKGROUND

1.1 In 2011 the council created a transformation programme (2015) to deliver the vision set out in 'Shared Services and Beyond'. The programme has delivered over £260,000 of savings shared between West Devon Borough Council (WDBC) and South Hams District Council (SHDC) and a wide range of other achievements including a new website, the voice initiatives, customer complaints system etc.

- 1.2 In October 2012 the Peer challenge team recommended that the 2015 programme be revised to have a narrower focus and in order to give greater clarity, to incorporate the savings target originally set out in the individual service blueprints.
- 1.3 At the Resources Committee on 29 January 2013 Members acknowledged a £2.1m budget gap over the four financial years 2013/14 to 2016/17. Whilst the Council subsequently approved a budget for 2013/14 reducing the gap by £355,000, the scale of the financial challenge over the next few years remains unprecedented.
- 1.4 A report elsewhere on this agenda sets out our strategy to address the financial challenge of 2014/15 and to create a sound platform for a new transformation programme which will take us to 2018.
- 1.5 The programme is currently being designed to deliver a long term organisational vision which will prevent the need to attempt to deal with the budget gap through an annual service and financial planning process. It seeks to create financial capacity to continue to meet the council's aspiration to deliver quality services and enhance the lives and communities of West Devon
- 1.6 Since October, senior officers have been working on a revised programme, including holding an event with Committee chairs and Vice Chairs in December, middle managers in January and presenting to the JSG and to a member workshop in March.
- 1.7 In designing a revised programme officers have consulted with other pace setter councils and drawn upon their collective experiences, particularly around agile working and shared services. Officers have also considered our own experience to date in delivering significant savings through both shared services and re-engineered processes in some areas.

2. ISSUES FOR CONSIDERATION

- 2.1 The outcome of the work undertaken since October is a proposed revised programme with the aim of delivering a new sustainable operating model which will enable the two councils to:
 - retain individual identities and respond to local priorities
 - embrace new ways of working using new technology to reduce net costs, increase choice and support effective decision making
 - be flexible to the shifting public sector landscape, the changing needs of our customers and which may be provided through alternative service delivery models
 - continue to enhance lives and communities
- 2.2 The early concept work is built upon the following assumptions:

That the new operating model will –

- be designed by customer demand not professional divisions.
- increase efficiency and reduce net costs.
- be digital by default.
- provide an opportunity for the two Councils to commission different service levels.
- be future proofed in relation to any new partners and Member decisions to provide in-house or outsourced services.
- be based on an agile working, smaller workforce.

2.3 The proof of concept work will be undertaken on a representative portion of the current organisation. In simple terms it will look at the current way the systems, processes and people work and calculate the resource required against a remodelled organisation working with different systems and processes.

3. CONCLUSION

3.1 Designing a new operating model to meet these principles will require a large scale change in the way that services are currently delivered and will need significant investment. It is therefore essential that the concept and the level of anticipated savings is proven before any consideration of a detailed design and associated business case can take place.

3.2 A programme of this size will require a phased approach, the decision to invest up to £25,000 to prove the concept and help design the model is only the first phase and does not commit the council to any decision to implement such a model. A further report to enable consideration of a proposed model, the high level business case, governance of the programme and an investment strategy will come back to this committee for recommendation to council in the autumn.

4. LEGAL IMPLICATIONS

4.1 The Resources Committee is responsible for authorising budgetary expenditure.

5. RISK MANAGEMENT

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

6. OTHER CONSIDERATIONS

Corporate priorities engaged:	All
Statutory powers:	
Considerations of equality and human rights:	Not applicable
Biodiversity considerations:	Not applicable
Sustainability considerations:	Not applicable
Crime and disorder implications:	Not applicable
Background papers:	Peer Challenge report (date)
Appendices attached:	None

STRATEGIC RISKS TEMPLATE

No	Risk Title	Risk/Opportunity Description	Inherent risk status			Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel		
1	Financial	That the chosen supplier is unable to carry out the work within the appropriate timescales	2	2	4	The procurement process is effectively managed The chosen supplier has proven track record of delivery The chosen supplier has appropriate experience Officers manage and work along side the supplier	SMT
Page 24	Reduction in performance	That performance is negatively impacted upon whilst the proof of concept work takes place	3	1	3	Officers effectively manage the workload during this period. The appropriate level of internal support to the process is provided The appropriate level of external support to the process is provided	SMT & Middle Managers
3	Do nothing	Members choose not to support the bid	5	2	10	Ensure member support & understanding of the need to make the upfront investment in order to be able to design the model and move forward. Ensure member understanding of the risk of relying on any alternatives	SMT & Lead Members

Direction of travel symbols ↓ ↑ ⇄

NAME OF COMMITTEE	Resources Committee
DATE	26 th March 2013
REPORT TITLE	Old Mill Site, Okehampton.
REPORT OF	Corporate Director (Tw) and Economic Development Officer
WARDS AFFECTED	Okehampton East and West

Summary of report: The report outlines the current position with regard to the Old Mill Site in Okehampton and asks members to agree to appoint agents to re-market the site.

Financial implications:

The cost of re-marketing the site will be approximately £5,000 which could be funded from the capital budget for the Old Mill Site, which for 2012/13 is £25,000.

Meanwhile, there are ongoing liabilities associated with the maintenance of this vacant and semi-derelict site.

RECOMMENDATIONS:

That the Resources Committee **RESOLVES** to:

1. instruct officers to appoint agents to re-market the Old Mill Site in accordance with the criteria listed in the report below and
2. meet the cost of this appointment from the capital budget for the Old Mill Site as outlined in the report.

Officer contacts:

Tracy Winser, Corporate Director, Tel: 01803 861389

Email tracy.winser@swdevon.gov.uk

Robert Plumb, Economic Development Officer, Tel 01822 813620

Email rplumb@westdevon.gov.uk

1. BACKGROUND

- 1.1 In November 2011 the then Strategies and Resources Committee (Minute S&R 30) agreed to cease their interest in the community based approach and instructed officers to explore alternative ways forward.

- 1.2 This followed a prolonged period of working with the Devon Heartlands led community consortium, which had been selected as the preferred way forward after the initial marketing of the site in 2006.
- 1.3 Since then officers have met with a small working group of individuals (put together by the former owner of the Old Mill Site). Their scheme is broadly similar to the one that was being developed by Devon Heartlands. It creates flexibility within the building for different office/community uses and works on an understanding that any proposal would need to meet the terms of the covenant. (See 2.2 below). The working group have been seeking funding for their proposals and it is understood that this has resulted in recent positive consideration by Trustees of the United Charities in Okehampton.
- 1.4 At the same time officers have met with another interested party, who was one of the original bidders for the site. They have renewed their offer for the site, which involves developing it for a City and Guilds Skills Centre on a phased approach. This proposal was considered by the E&C Committee back in October 2007 and at the time the Community Led approach was preferred.

2. ISSUES FOR CONSIDERATION

- 2.1 The site remains derelict and poses a risk to the Council in terms of potential liabilities relating from vandalism to the fact that the Chimney is Grade 2 listed. There has been a longstanding expectation within the town that the site would be developed for community use.
- 2.2 There is an existing covenant on the site, which the previous owner is not prepared to release and wishes to be passed on in any disposal as follows:-

“ Not to use or permit the property for residential or commercial development save that the property may be developed and used for the benefit of the community and inhabitants of Okehampton as a whole.”

Furthermore, when the land was purchased in 2000 the intention was to develop within 3 years of that date otherwise certain conditions could be applied, namely that :-
 - (a) the Council could offer the land back to the Seller at open market value (not less than £70,000)
 - (b) the covenant could be released and the land sold with an apportionment of sale price as to one third to the Council and two thirds to the Seller.
- 2.3 Nonetheless, the previous owner has indicated that as long as the use is for “community benefit” he cannot envisage the penalties associated with the covenant will come into force. As a restrictive covenant it will pass to any future owner.
- 2.4 Due to the fact that a number of parties are still actively interested in the site and that there has been a considerable lapse in time since the original marketing exercise in 2006, it is suggested that a fresh approach to the disposal of the site involving the use of independent agents may be advised. Any agent would need

to ensure the legal requirements of any disposal, including the terms of the covenant, were enforced.

- 2.5 The use of an in-house team has been considered, but at present there is not the capacity to take on this work. In addition the introduction of an independent view is considered beneficial.
- 2.6 Members will also be aware that the current Borough Council accommodation at James Street in Okehampton is less than satisfactory for continued long term occupation. Footfall is considerably higher than originally anticipated and whilst the ground floor space is now too small the upper floor offices are underutilised. The Old Mill Site offers a possible opportunity to meet the Council's requirements in full as part of any new development on the site and therefore needs to be taken into consideration when considering offers.
- 2.7 The introduction of this as a criteria does mean that any disposal or invitation to tender is caught by the Public Contracts Regulations and/or the Contract procedure Rules and Treaty on the functioning of the European Union (depending on contract value).

3. CONCLUSIONS

- 3.1 Whereas this has been a lengthy process since the original marketing of the site in 2006, there is a need to take a fresh approach involving a formal tendering process through an independent assessment of both the current offers and any new one's that might emerge.
- 3.2 This allows an opportunity to include an option to provide accommodation for the re-provision of Borough Council Okehampton Service Centre and office accommodation on the site.
- 3.3 Accordingly the key assessment criteria are suggested to be the following:-
- Compliance with the covenant and any other legal considerations
 - Compliance with Planning requirements, including its location within the Conservation Area, the setting of the listed chimney, flood risk and other environmental considerations
 - Sustainability in terms of scheme viability over the next 5-10 years.
 - Opportunity to include space for the Borough Council to relocate its current Okehampton Service Centre and office requirements to the site
 - Timescales and ability to deliver
 - Value for money – in terms of return on investment for the Borough Council and the delivery of wider community benefits
 - Offer price
- 3.4 Accordingly, it is recommended that agents be appointed to re-market the site having due regard to our adopted procurement procedures. This may involve going out to tender for this advice which will prolong the process.

4. LEGAL IMPLICATIONS

- 4.1 Under Section 1 of the Localism Act 2011 the Council has a general power of competence to do anything an individual can do subject to any statutory restrictions.
- 4.2 The covenant outlined in paragraph 2.2 is a restrictive covenant and as such will be passed on to any future owner in the case of an eventual disposal. This also means that any agent working on our behalf must ensure the terms are properly considered and applied.
- 4.3 The requirement to consider possible occupation by the Borough Council for its own purposes, means the disposal process is likely to be caught by the Public Contracts Regulations and/or Contract Procedure Rules and Treaty on the functioning of the European Union (depending on total contract values).

5. FINANCIAL IMPLICATIONS

- 5.1 A capital budget of £25,000 exists for the Old Mill Site within the Council's Capital Programme for 2012/13 and the proposal is to use approximately £5,000 of this to commission agents to invite and assess tenders.
- 5.2 There could be financial implications if the terms of the covenant are not complied with. This includes any consequences resulting from work carried out by an agent on the Borough Council's behalf.
- 5.3 Meanwhile, there are ongoing liabilities associated with the maintenance of this vacant and semi-derelict site.

6. OTHER CONSIDERATIONS

Corporate priorities engaged:	Economy; Environment; Community Well Being
Statutory powers:	Under Section 1 of the Localism Act 2011 the Council has a general power of competence to do anything an individual can do subject to any statutory restrictions The Council derives its power to dispose of this land from Section 123 of the Local Government Act 1972
Considerations of equality and human rights:	Not applicable
Biodiversity considerations:	Ecological surveys have been conducted several times over the last 10 years and no known issues are outstanding.
Sustainability considerations:	This will form one of the criteria for assessment of offers made.

Crime and disorder implications:	Not applicable
Background papers:	<i>Report of Regeneration Officer to S&R committee September 2010</i> <i>Report of Regeneration Officer to S&R 22nd March 2011</i> <i>Report of Regeneration Officer to S&R 15th November 2011</i>
Appendices attached:	<i>None</i>

6 RISK MANAGEMENT

6.1 The risk management implications are outlined below:-

STRATEGIC RISKS TEMPLATE

No	Risk Title	Risk/Opportunity Description	Inherent risk status				Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel			
1	Derelict Site	The site continues to remain derelict with the ongoing liabilities and potential cost to the council	3	3	9	↔	Move forward as quickly as possible to identify a preferred development option for the site.	Resources committee
2	Covenant restrictions	Need to comply with the provisions of the covenant	4	1	4	↔	Ensure that this remains a key consideration when considering any offers.	Resources committee
	Reputational	The council is seen as not enabling the development of the site for the benefit of the whole community	5	2	15	↔	Move forward with the recommended course of action at the earliest opportunity.	Resources committee
4	Legal issues	7 years has elapsed since the original marketing of the site took place.	5	3	15	↓	By re-marketing the site and commissioning an independent assessment of both the existing and any new offers.	Corporate Director (TW) & Senior Officers

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WEST DEVON BOROUGH COUNCIL

NAME OF COMMITTEE	Resources Committee
DATE	26th March 2013
REPORT TITLE	Write Off Report
Report of	Acting Head of Finance & Audit Head of ICT & Customer Services
WARDS AFFECTED	All

Summary of report:

The Council is responsible for the collection of: Sundry Debts including Housing Benefit Overpayments and Council Tax. It also collects National Non - Domestic (Business) Rates on behalf of the Government.

The report informs Members of the debt written off for these revenue streams. Debts up to the value of £5,000 are written off by the Head of Finance and Audit under delegated authority. These debts are listed in this report for information. Permission needs to be sought from the Committee to write off individual debts with a value of more than £5,000.

This report covers the period: 1st October 2012 to 31st December 2012.

Financial implications:

West Devon Borough Council Debts totalling £114,981.75 to be written-off together with £20,079.71 of Non Domestic Rate debt which is collected on behalf of the Government.

RECOMMENDATIONS:

- 1) The Committee notes that, in accordance with Financial Regulations, the Acting Head of Finance and Audit has authorised the write-off of individual West Devon Borough Council debts totalling £101,914.83 together with £13,309.71 of Non Domestic (Business) Rate Debt which is collected on behalf of the Government as detailed in Tables 1 and 2.

- 2) The Resources Committee is requested to write off individual debts in excess of £5,000 as detailed in Table 3, totalling £13,066.92 for Council Tax together with £6,770.00 of Non Domestic (Business) Rates.

Officer contact:

Dan Bates Telephone ext no. 3644 e-mail dbates@westdevon.gov.uk
 Darren Cole Telephone ext no. 3626 e-mail Darren.Cole@swdevon.gov.uk

1. BACKGROUND

- 1.1 The Council's sound financial management arrangements underpin delivery of all the Council's priorities, including the commitment to providing value for money services.
- 1.2 This report forms part of the formal debt write-off procedures included in these financial arrangements.
- 1.3 West Devon Borough Council's collection rate for Council Tax for 2011/12 was 97.5% and for Non Domestic (Business) Rates was 97.4%.

2. ISSUES FOR CONSIDERATION

- 2.1 In accordance with good financial management principles the Council has, for the revenue streams detailed in this report, made a total bad debt provision of £485,000. This provision recognises that a proportion of the Authority's debts will prove irrecoverable and ensures that the value of debtors within the Authority's accounts is a fair reflection of the amount that will eventually be recovered. The total collectable debt for Council Tax is £30.2 million and for Business Rates is £10.7 million.
- 2.2 All debts, taxes and rates within the Service's control are actively pursued, and in most instances are collected with little difficulty. Sometimes, however, special arrangements are needed to effect recovery, and this may mean extending the period of time to collect the debt or ultimately instigating enforcement proceedings and then using Civil Enforcement Agents to secure payment.
- 2.3 In some cases further pursuit of the debt is not possible for a variety of reasons, such as bankruptcy or liquidation and such cases with arrears under £5,000 are written off by the Head of Finance and Audit under delegated authority. Cases where the debt exceeds £5,000 must, however, be approved by Committee prior to the debt being written off.
- 2.4 A record is kept of debts written off, together with the reason for doing so, so that if there is a realistic chance of recovery in the future a debt may be resurrected and pursued again.
- 2.5 The Service has access to Experian's Citizenvue database which is currently the most reliable means of tracing absconded debtors. Each case is checked against this system before a decision is taken to write off the debt. A periodic review of write offs against this system may also be carried out to resurrect debts where appropriate.

3. LEGAL IMPLICATIONS

- 3.1 The relevant powers for this report are contained within the following legislation;

Section 151 Local Government Act 1972

Section 44 Local Government Finance Act 1988 (Non Domestic Rate)

Section 14 Local Government Finance Act 1992 (Council Tax)

4. FINANCIAL IMPLICATIONS

- 4.1 West Devon Borough Council debts totalling £114,981.75 to be written-off together with £20,079.71 of Non Domestic (Business) Rate debt which is collected on behalf of the Government.

5. OTHER INFORMATION

Corporate priorities engaged:	Economy; Homes; Community Life
Statutory powers:	Section 151 Local Government Act 1972 Section 44 Local Government Finance Act 1988 (Non Domestic Rate) Section 14 Local Government Finance Act 1992 (Council Tax)
Considerations of equality and human rights:	All enforcement action that is taken prior to this point is undertaken in accordance with legislation and accepted procedures to ensure no discrimination takes place
Biodiversity considerations:	None
Sustainability considerations:	A bad debt provision is built into the financial management of the Authority
Crime and disorder implications:	None
Background papers:	None
Appendices attached:	Tables 1, 2 & 3

RISK MANAGEMENT

No	Risk Title	Risk/Opportunity Description	Inherent risk status				Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel			
1	Reputation	Any risk to reputation is managed carefully by prompt recovery of amounts due wherever possible.	3	2	6	↓	This risk is also mitigated by taking a balanced view and ensuring that resources are not expended on debts which are not cost effective to pursue	H of CS & IT
2	Write Off	The obvious risk of debtors subsequently being able to pay a debt which has been written off is mitigated by the activity outlined in issues for consideration.	2	1	2	↔	Any individual debt exceeding £5,000 is referred to Members for consideration prior to write-off which accords with Financial regulations.	H of F & A

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TABLE 1 - SUMMARY OF WEST DEVON BOROUGH COUNCIL DEBT UNDER £5,000 WRITTEN OFF BY THE HEAD OF FINANCE

TYPE OF DEBT	NUMBER OF CASES	REASON FOR W/OFF	TOTAL for This Quarter (£)	Totals for the previous two quarters			
				Q2 2012/13		Q1 2012/13	
				No.	Amount	No.	Amount
HOUSING BENEFIT	14	Overpaid Entitlement	4,390.20	22	5,453.58	36	4,936.52
	-	Bankruptcy	-	-	-	6	2,779.98
	1	Deceased	552.20	6	1,414.36	6	695.43
	4	Other	569.11	2	632.94	5	2,588.27
	1	Absconded	71.34	8	2,040.08	23	7,282.16
	-	Not Cost Effective to Pursue	-	10	337.78	12	296.73
	-	Uncollectable Old Debt	-	-	-	-	-
Total	20		5,582.85	48	9,878.74	88	18,579.09
COUNCIL TAX	102	Absconded	68,635.10	56	27,249.89	48	23,136.06
	6	Bankruptcy	5,941.58	9	8,752.25	8	7,481.56
	2	Deceased	1,654.22	3	1,038.15	1	1,216.43
	19	Other	17,865.49	9	5,814.56	4	1,896.82
	11	Small Balance	316.95	27	1,507.60	13	345.92
	-	Uncollectable Old Debt	-	-	-	-	-
	6	Administration	1,918.64	-	-	-	-
Total	146		96,331.98	104	44,362.45	74	34,076.79
Sundry Debts	-	Small Balance	-	-	-	-	-
	-	Administration	-	-	-	-	-
	-	Not Cost Effective to Pursue	-	2	360.00	-	-
	-	Uncollectable Old Debt	-	5	525.00	-	-
	-	Absconded	-	1	70.00	-	-
Total	-		-	8	955.00	-	-
Grand Total	166		101,914.83	160	55,196.19	162	52,655.88

**Breakdown of Absconded Council Tax Debt
(Some cases have debts over more than one year)**

Year	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08	2006/07	2005/06	2004/05	2003/04	Total
Value	£320.05	£5,643.37	£19,444.71	£18,722.82	£10,306.37	£7,356.45	£5,916.30	£645.57	£178.06	£101.40	£68,635.10
Number	2	15	38	39	27	20	13	3	1	1	159

TABLE 2 - SUMMARY OF NON-DOMESTIC RATE DEBT COLLECTED ON BEHALF OF GOVERNMENT UNDER £5,000 WRITTEN OFF BY THE HEAD OF FINANCE

TYPE OF DEBT	NUMBER OF CASES	REASON FOR W/OFF	TOTAL for This Quarter (£)	Totals for the previous two quarters			
				Q2 2012/13		Q1 2012/13	
				No.	Amount	No.	Amount
NON-DOMESTIC RATE	5	Bankruptcy	636.48	-	-	1	2,615.46
	15	Absconded	9,620.37	-	-	-	-
	1	Deceased	128.58	-	-	-	-
	2	Liquidation	2,498.79	2	1,648.36	-	-
	-	Other	-	1	310.19	-	-
	11	Small Balance	425.49	-	-	-	-
	-	Uncollectable Old Debt	-	-	-	-	-
	-	Administrative Receivership	-	-	-	1	383.02
Grand Total-	34		13,309.71	3	1,994.55	2	2,998.48

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TABLE 3 - SUMMARY OF ITEMS OVER £5,000 WHERE PERMISSION TO WRITE OFF IS REQUESTED

TYPE OF DEBT	NUMBER OF CASES	REASON FOR W/OFF	TOTAL for This Quarter (£)	Totals for the previous two quarters			
				Q2 2012/13		Q1 2012/13	
				No.	Amount	No.	Amount
NON-DOMESTIC RATE	-	Liquidation	-	-	-	-	-
	-	Administrative Receivership	-	-	-	-	-
	-	Absconded	-	-	1	7,222.26	-
	1	Bankruptcy	6,770.00	1	5,134.62	-	-
Total	1		6,770.00	1	5,134.62	1	7,222.26
COUNCIL TAX	1	Bankruptcy	6,285.83	1	6,285.83	1	6,571.71
	1	Absconded	6,781.09	-	-	-	-
Total	2		13,066.92	1	6,285.83	1	6,571.71
Grand Total	3		19,836.92	2	11,420.45	2	13,793.97

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Agenda Item 3

At a Meeting of the **RESOURCES COMMITTEE** held at the Council Chamber, Council Offices, Kilworthy Park, Drake Road, **TAVISTOCK** on **TUESDAY** the **26th** day of **MARCH 2013** at **2.00pm**

Present:

	Cllr P R Sanders – Chairman	
	Cllr R E Baldwin – Vice Chairman	
Cllr W G Cann OBE		Cllr T J Hill
Cllr J R McInnes		Cllr C R Musgrave
Cllr T G Pearce		Cllr L B Rose

Substitute:

Cllr R J Oxborough	for Cllr P J Ridgers
Cllr D Whitcomb	for Cllr C M Marsh

In attendance:

Cllr Benson	Cllr Clish Green
Cllr Hockridge	Cllr Horn
Cllr Leech	Cllr Moody
Cllr Morgan	Cllr Sampson
Cllr Sheldon	

Chief Executive
Acting Head of Finance & Audit
Member Services Manager
Economy Manager
Economy Officer

***RC 40 APOLOGIES FOR ABSENCE**
Apologies for absence were received from Cllr C M Marsh, Cllr P J Ridgers and Cllr E H Sherrell.

***RC 41 DECLARATIONS OF INTEREST**
Members were invited to declare any interests in the items of business to be discussed, but none were made.

***RC 42 CONFIRMATION OF MINUTES**
The Minutes of the Resources Committee Meeting held on 29 January 2013 were confirmed as a correct record.

RC 43 MEETING THE FINANCIAL CHALLENGE
The Leader presented a report of the Chief Executive and Acting Head of Finance and Audit (page 1 to the agenda) which offered a way forward to overcome the 2014/15 budget gap of £728,000 and to build an approach that guarantees West Devon Borough Council's longer term viability.

He took Members through the report, and paid particular attention to the table of assumptions on how the 2014/15 budget gap may be bridged. The Chief Executive added national context to the report by advising that Local Government was expected to need to make a further 1% cut in 2014/15 and there would be a Comprehensive Spending Review in 2016/17. Members were advised that this was a living document and would be presented to each Resources Committee with updated

information. Progress would be tightly monitored. Finally, he added that there was an amendment to the presented Appendix A and the total of Earmarked Reserves and Capital Programme underspends should read £452,391 (not £602,391).

Members raised queries relating to the long term viability of West Devon Borough Council, and were also concerned that whilst a vacancy freeze would save money it was important that services were appropriately staffed.

The Head of Finance and Audit was able to answer a number of questions in relation to the assumptions made. The Chairman of Community Services and the Economy Manager were able to provide information in relation to the TICs. Members had a full and detailed debate in relation to the potential savings deferred from the 2013/14 budget (as detailed in para.3.4.3 of the presented report), and as part of this debate the proposal to reduce the grant to the CVS was **MOVED** but **NOT SECONDED**. **Therefore this motion FELL.**

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

- (i) The broad thrust of the presented report be accepted to bridge the 2014/15 gap by a combination of measures including the use of New Homes Bonus; a presumption not to fill vacant posts as they arise in 2013/14 and further efficiency savings;
- (ii) The following potential savings discussed at paragraph 3.4.3 of the presented report should be pursued to enable early notice to be given to affected staff, stakeholders and partners;
 - a) Cessation of Borough Council funding to the TICs and officers to pursue alternative means of innovative service delivery
 - b) Economy service reduction
 - c) Discretionary Rate Relief

In addition, a further report be brought back to the Resources Committee outlining the overall impact of ending Giro payments, and the above list is not exhaustive and does not preclude additional initiatives for identifying potential further savings or additional income; and

- (iii) Those elements of earmarked reserves and capital where expenditure trends or commitments indicate it is safe to do so be stripped out, as set out at Appendix A, to free up New Homes Bonus.

***RC 44 TRANSFORMATION 2018 – PROOF OF CONCEPT WORK**

The Chief Executive presented a report of the Corporate Directors (page 15 to the agenda), which asked Members to approve a request for up to £25,000 to enable the Council to engage external assistance to prove the concept of a new operating model for future delivery of its services. In introducing the report, he reminded Members of the recent presentation and workshop that had taken place, at which the concept which was the subject of the report had first been introduced.

A number of Members raised concerns about the request to spend money on an external consultant, particularly when they felt that the Corporate Directors would be able to undertake the work. Members also queried the level of savings that could be made, but the Chief Executive explained that this feasibility work would give an indication of the potential savings for West Devon Borough Council. He added that if the work was not undertaken then there was no other way to generate the savings that the financial outlook demanded. Other Members supported the recommendation and stated that some external challenge was necessary and that radical savings had to be made to protect the long term future of the staff.

It was then **RESOLVED**:

- (i) That up to £25,000 from the Invest to Save Fund be invested in proof of concept work to enable a business case to be developed to be presented to Council in the autumn of 2013; and
- (ii) That the decision as to which organisation to engage, to deliver the proof of concept work, be delegated to the Chief Executive.

***RC 45 OLD MILL SITE, OKEHAMPTON**

The Economic Development Officer presented a report (page 19 to the agenda) that outlined the current position with regard to the Old Mill Site in Okehampton and asked Members to agree to appoint agents to re-market the site. In introducing the report he gave Members a brief history of the site, and also advised of the specific matters that needed consideration such as the covenant and potential procurement issues.

It was then **RESOLVED**:

- (i) That officers be instructed to appoint agents to re-market the Old Mill Site in accordance with the criteria listed in the presented report; and
- (ii) That the cost of this appointment be met from the capital budget for the Old Mill Site as outlined in the presented report

***RC 46**

WRITE OFF REPORT

The Acting Head of Finance and Audit presented a report (page 25 of the agenda) which informed Members of the debt written off for revenue streams within the Revenue and Benefits Service. Debts up to the value of £5,000 are written off by the Head of Finance and Audit under delegated authority. These debts were listed in the presented report for information. The report sought authority to write off individual debts with a value of more than £5,000, details of which were outlined in Table 3 of the report. In introducing the report, he advised Members that a rigorous process is followed to do everything possible to recover a debt before it is written off.

It was **RESOLVED** that:

1. In accordance with Financial Regulations, the Acting Head of Finance and Audit had authorised the write-off of individual West Devon Borough Council debts totalling £101,914.83 together with £13,309.71 of Non Domestic Rate Debt which was collected on behalf of the Government, as detailed in Table 1 and 2 of the presented report be noted; and
2. Authority to write off individual debts in excess of £5,000 as detailed in Table 3 of the report, which totalled £13,066.92 for Council Tax and £6,770.00 for Non Domestic (Business) Rates, be granted.

***RC 47**

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

***RC 48**

RATE RELIEF APPEAL - (PARAGRAPH 3 – INFORMATION RELATING TO THE FINANCIAL OR BUSINESS AFFAIRS OF ANY PARTICULAR PERSON (INCLUDING THE AUTHORITY HOLDING THAT INFORMATION))

The Acting Head of Finance and Audit presented a report of the Chief Revenue Accountant (page 32 of the presented agenda) that outlined the detail of an appeal against the Rate Relief Panel's earlier decision to reject an application for discretionary hardship rate relief.

Following questions of clarity and a brief debate, it was then **RESOLVED** that Section 49 Hardship Rate Relief for 2011/12 and 2012/13 as detailed in the presented report be not awarded to the applicant.

(The Meeting terminated at 4.30 pm)