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West Devon  
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Council

## WEST DEVON RESOURCES COMMITTEE - TUESDAY, 10TH DECEMBER, 2013

Agenda, Reports and Minutes for the meeting

### Agenda No    Item

1.     **Agenda Letter** (Pages 1 - 6)

2.     **Reports**

Reports to Resources:

- a)     Item 5 - Budget Update for 2014/15 to 2017/18 (Pages 7 - 22)
- b)     Item 6 - Revenue and Capital Budget Monitoring 2013/14 Quarter 2 - 30 September 2013 (Pages 23 - 38)
- c)     Item 7 - Council Tax Support (Pages 39 - 66)
- d)     Item 8 - Write Off Reports (Q1 and Q2) (Pages 67 - 78)
- e)     Item 9 - Partnership Policy (Pages 79 - 90)
- f)     Item 10 - Lifton Neighbourhood Plan Area Designation (Pages 91 - 102)
- g)     Item 11 - EXEMPT - Strategic Asset Review (Pages 103 - 104)

3.     **Minutes** (Pages 105 - 110)

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# Agenda Item 1

## A G E N D A – RESOURCES COMMITTEE – 10<sup>th</sup> DECEMBER 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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4. <b>Confirmation of Minutes</b> Meeting held on 17 <sup>th</sup> September 2013 (previously circulated)	
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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).**

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 on the grounds that exempt information may be disclosed as defined in the paragraphs given in Part I of Schedule 12A to the Act”.

**11. Strategic Asset Review**  
Report of the Estates Manager

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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](mailto:arose@westdevon.gov.uk)

## **STRATEGIC RISK ASSESSMENT**

### **Reports to Members**

Members will be aware of the requirement to take account of strategic risk in decision making. This note is designed to support Members consider strategic risks as part of the assessment of reports from officers.

There are an increasing number of issues that we have a statutory requirement to take into account which affect all aspects of the Council's policies and service delivery (e.g. Human Rights Act). There are also discretionary issues we choose to highlight in our reports (e.g. Financial Implications, and Impact on Council Priorities and Targets). Common Law duty requires Local Authorities to take into account all things they need to take into account! The Courts hearing Judicial Review applications make this their starting point in deciding whether any decision is reasonable.

Officers have a responsibility to assess the implications of recommendations to Members. Members should ensure that before making a decision they have undertaken a similar consideration relating to the risks associated with the report.

Examples of risk to be considered:-

### **Statutory Requirement :**

- Equalities and Discrimination, particularly Race Equality. (Consider the impact on each of the following equality areas: Race, Religion and Belief, Gender, Sexual Orientation, Disability, Age)
- Human Rights
- Crime and Disorder
- Health and Safety
- Employment Legislation
- Data Protection
- Freedom of Information
- Corporate activity with an impact on Areas of Outstanding Natural Beauty, National Parks, Sites of Special Scientific Interest, and biodiversity

### **Corporate Requirement :**

- Impact on Council's Reputation
- Impact on Priorities, Cross-Cutting themes, Targets and / or Commitments
- Impact on Standing Orders / Financial Regulations
- Impact on Council's Assets
- Financial Risks
- Compliance with National Policies and Guidance
- Impact on Sustainability

Members' attention is drawn to the Risk Assessment section within each report. Members are encouraged to consider whether the report has satisfactorily identified all likely negative impacts and mitigating action that will be taken. Members also need to consider the opportunities presented by actions, noting that any change entails an element of risk. The challenge is to effectively manage that risk.

## RISK SCORING MATRIX

Impact/Severity		Target impact	Stakeholder impact	Finance impact
1	Insignificant	Low impact on outcome & target achievement & service delivery	Low stakeholder concern	Low financial risk
2	Minor	Minor impact on outcome & target achievement & service delivery	Minor stakeholder concern	Minor financial risk
3	Moderate	Moderate outcome & target achievement & service delivery	Moderate stakeholder concern	Moderate financial risk
4	Serious	High impact on outcome & target achievement & service delivery	High stakeholder concern	High financial risk
5	Very serious	Very high impact on outcome & target achievement & service delivery	Very high stakeholder concern	Very high financial risk
Likelihood/Probability		Risk	Opportunity	
1	Very low	Negligible chance of occurrence; has not occurred	Possible opportunity yet to be investigated with low likelihood of success	
2	Low	Low chance of occurrence; has occurred infrequently but within internal control	Opportunity being investigated with low likelihood of success	
3	Medium	Equal chance of occurrence or non occurrence; could occur more than once and be difficult to control due to external influences	Opportunity may be achievable with careful management	
4	High	More likely to occur than not occur; has occurred more than once and difficult to control due to external influences	Good opportunity which may be realised	
5	Very high	Very high chance of occurrence but not a certainty; has occurred recently	Clear reliable opportunity with reasonable certainty of achievement	

**Risk score = Impact/Severity x Likelihood/Probability**

<b>Likelihood</b>	5	5	10	15	20	25
	4	4	8	12	16	20
	3	3	6	9	12	15
	2	2	4	6	8	10
	1	1	2	3	4	5
	0	1	2	3	4	5
<b>Impact</b>						

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AGENDA  
ITEM  
**5**

## WEST DEVON BOROUGH COUNCIL

AGENDA  
ITEM  
**5**

<b>NAME OF COMMITTEE</b>	<b>Resources</b>
<b>DATE</b>	<b>10 December 2013</b>
<b>REPORT TITLE</b>	<b>Budget Update for 2014/15 to 2017/18</b>
<b>Report of</b>	<b>Head of Finance &amp; Audit and Chief Accountant</b>
<b>WARDS AFFECTED</b>	<b>All</b>

**Summary of report:** To provide an updated forecast of the budget situation for the year 2014/15 and an updated forecast for the four years to 2017/2018. The forecast is intended to provide a framework within which decisions can be made regarding the future service provision and council tax levels whilst building an approach that guarantees West Devon Borough Council's longer term viability.

### **FINANCIAL IMPLICATIONS:**

The budget gaps identified in this December Resources report indicate the level of savings needed in each financial year to produce a balanced budget. The budget gaps are (per Appendix B):

2014/15	£224,583
2015/16	£370,914
2016/17	£(532,117)
2017/18	£113,779
Cumulative	£177,159

The budget gaps must be reduced to zero each year in order to set a balanced budget in each financial year. This reports sets out the strategy and options available to close the budget gap.

### **RECOMMENDATIONS:**

That the Committee is recommended:

1. To note the considerable progress made by the Council on the four year Budget process covering 2014/2015 to 2017/2018.
2. To consider the Council minute (CM88) from 16<sup>th</sup> April 2013 and the Community Services Committee minute (CS25) from 12<sup>th</sup> November 2013 regarding the economy service (see 1.3 to 1.5) and for the Members of the Resources Committee to recommend either:-
  - i) To agree the reduction in the Economy Service of £20,000 for 2014/15 or
  - ii) To defer the reduction in the Economy Service of £20,000 for 2014/15, and instead for this to be considered as part of the T18 Programme.

3. To consider the £7,500 contribution for the Walk and Talk programme as detailed in section 2.8 and for the Members of the Resources Committee to recommend either:-
  - To agree to continue the programme and include this as a cost pressure in the 2014/15 budget process  
or
  - To cease supporting this programme.

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 Lisa Buckle, Head of Finance & Audit [Lisa.buckle@swdevon.gov.uk](mailto:Lisa.buckle@swdevon.gov.uk) 01822 813543

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## 1. BACKGROUND

1.1 At the Council meeting on 8th October 2013, Members agreed to;

- The minimum level of Unearmarked General Fund Revenue Reserves being maintained to at least £750,000.

The current level stands at £1,030,000. At Council on 4<sup>th</sup> November 2013, Members agreed to transfer £200,000 from the General Reserve into an Earmarked Reserve for T18.

The budget monitoring report (another item on this Agenda) predicts the underspend at the end of the financial year, to be £150,000. The table below shows that the level of general reserves would then stand at £980,000.

	<b>£</b>
General Reserve balance as at 31 <sup>st</sup> March 2013	<b>1,030,000</b>
T18 Allocation ( Report to Council 4 <sup>th</sup> November 2013)	(200,000)
Predicted underspend – Revenue Budget Monitoring (Report to Resources Committee 10 <sup>th</sup> December 2013)	150,000
<b>Predicted balance of reserves 31<sup>st</sup> March 2014</b>	<b>980,000</b>

1.2 Members have provided a set of “minded to “views in order to guide the 2014/15 budget process;

- a) On the level of Council Tax Support Grant to be passed on to Parish and Town Councils (being the percentage reduction in the Council’s government funding for 2014/15 – currently over 13%)
- b) To increase Council Tax by 1.9%.

- 1.3 Economy Service – **The Council Minute CM88** (Council meeting 16<sup>th</sup> April 2013) stated (relevant parts are highlighted in bold):-

**In respect of Unstarred Minute: RC 43 – Meeting the Financial Challenge**

It was then moved by Cllr R E Baldwin, seconded by Cllr R J Oxborough, and upon being submitted to the Meeting, was declared to be **CARRIED** and **“RESOLVED** 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, unless there is a good reason to, as they arise from 2013/14 and beyond 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

- 1.4 On 12<sup>th</sup> November 2013 the Economy Service was considered by the Community Services Committee and the relevant minute (CS25) is shown below:-

**CS 25 ECONOMY SERVICE DELIVERY**

The Economy Manager presented a report (page 6 to the Agenda) detailing for the Committee how the Economy Service was currently delivered for the Council and proposals for future delivery. The Economy Team’s agreed weekly workload currently equated to 14.25 days, however, the current officer resource equated to 11.75 days per week. In April 2013, the Council requested that the Economy budget be reduced by a further £20,000 which equated to 3 days a week equating to 8.75 days per week as of April 2014.

In the ensuing discussion, the Committee questioned whether the proposed staffing reduction was premature in the light of the proposals contained within Transformation 18 where the budget gap may be filled via other means. Given this discussion, it was **RESOLVED** that the proposal to reduce the current staffing level be deferred pending the budget discussions on the Council’s budget for 2014/2015.

- 1.5 In light of the Council minute (CM88) and the Community Services Committee minute (CS25) regarding the economy service, Members of the Resources Committee are asked to recommend either:-

- i) To agree the reduction in the Economy Service of £20,000 for 2014/15 or
- ii) To defer the reduction in the Economy Service of £20,000 for 2014/15, and instead for this to be considered as part of the T18 Programme.

## 2. MEDIUM TERM CHALLENGE AND CLOSING THE 2014/15 BUDGET GAP

- 2.1 The table in **Appendix A** details the budget gaps for the 2014/15 to 2017/18.
- 2.2 **Council Tax Support Grant** – The assumption currently is that the Council will recover the cost of the Council Tax Support, which would make the scheme cost neutral based on the Government's Council Tax Support Funding – saving of approximately £78,000. This would put West Devon in line with a majority of Councils nationally. Members decided to adopt a scheme for 2013/14 that maintained the existing level of support given to residents under Council Tax Benefit due to a number of reasons. These included the implementation of a new Revenue and Benefit system as well as staff resource requirement in implementing other welfare reform changes. It has allowed the Council to monitor the emerging national picture and identify any best practise from other Local Council Tax Support schemes. (A Report on Council Tax Support is another item on this Agenda).
- 2.3 **Council Tax grant for parishes.** Last year the government provided £119,453 of Parish Council Tax Support. In 13/14, this has been passed in full to the parish and town councils. However, this grant has now been aggregated with all Government funding and the latest figures show a reduction of over 13% for 2014/15 (see 2.1). By maintaining the same level of parish grant as 2013/14 the Council would be effectively subsidising by over 13% of this support. The Council is proposing that the 13% reduction will be passed on to the Towns and Parishes and their council tax support grant will be reduced by this amount. Town and Parish Councils have been informed of this proposal.
- 2.4 **Triennial Pension Revaluation** – The Council's Pension Fund is valued every three years by actuaries. A revaluation was undertaken in March 2013 and the results are due to be released before the end of the year, with any changes being reflected in the next report to the Resources Committee. The financial effect of the T18 transformation programme has been factored into the business case but the actual effect will only be clarified as the programme proceeds.
- 2.5 **Price Inflation** – To be able to produce a meaningful resource plan, a number of assumptions have to be made regarding prices. Consumer Price Index (CPI) in October 2013 was 2.2% (Retail Price Index was 2.6%). A budget pressure of £15,000 has been included within Appendix A to allow for inflation on expenditure, in particular, premises costs.
- 2.6 **Parish contributions to public conveniences** – a cost pressure of £25,000 has been included to realign the public conveniences budget to be in line with the expected income from parishes.
- 2.7 **Swimming Pool contract inflation** – the swimming pool contract was renegotiated in 2013 and the management fee reduced by £22,000. Indexation will not be applied until 1<sup>st</sup> April 2014.

- 2.8 **Walk and Talk Programme** – The contribution of £7,500 per annum ceases at the end of the current financial year and this currently is a contribution towards the salary costs of the shared Walk and Talk Co-ordinator and related on-costs. Members are asked to consider the £7,500 contribution for the Walk and Talk programme and to recommend either:-
- i) To agree to continue the programme and include this as a cost pressure in the 2014/15 budget process, or
  - ii) To cease supporting this programme.

Three “Walk and Talk” schemes operate in Tavistock, Okehampton and Horrabridge. These are weekly, fortnightly and/or monthly in each location of led walks at “short” or “moderate” level to provide exercise relating to health. In total just short of 300 individual walks per annum. The programme and background to the national scheme can be found at: <http://www.macmillan.org.uk/Cancerinformation/Livingwithandaftercancer/Physicalactivity/Waystogetactive/Walkingforhealth.aspx>.

- 2.9 **Pay Inflation** – For budgeting purposes the Council has modelled a 1% pay offer for 2014/15. This offer is currently being negotiated with the unions. An estimate of £50,000 has been included in Appendix A as a cost pressure.

- 2.10 **Housing Benefit Administration subsidy** – On 13 November 2013, the Department of Work and Pensions (DWP) issued HB circular S9/2013 and the Department of Communities and Local Government (DCLG) issued a Revised Council Tax policy information note. These provided details of the distribution of subsidy grant in 2014/15, for what had previously been housing benefit/council tax benefit administration subsidy. A budget pressure of £40,000 has been included within Appendix A for this reduction.

- 2.11 **Council Tax** - The last two years’ Council Tax is detailed below.

	<b>2012/13</b>	<b>2013/14</b>
DCC	1,116.36	1,116.36
WDBC	196.95	200.69
Police	159.73	162.92
Fire	73.92	75.39
Parishes & Towns	54.24	55.62
	<b>1,601.20</b>	<b>1,610.98</b>

Council Tax Freeze Grant was announced for the next two years equivalent to a 1% increase. The Council tax referendum threshold remains at 2% for 2014/15 and 2015/16.

Members are now minded to increase the level of the West Devon element of the Council Tax by 1.9%. This would result in the West Devon element increasing to £204.50. This would be an increase of £3.81 per year.

- 2.12 **Business Rates** - The Government introduced the Business Rates Retention Scheme on the 1 April 2013. This system enables the retention of a proportion of the business rates revenue generated in a local area by the relevant local authorities. Business rates now form a major element of the local government finance funding. Current indications are that the income from business rates may exceed the Government “baseline” grant figure. Although the system carries with it a significant risk of volatility, it is considered appropriate to include an additional £125,000 in the forecast.
- 2.13 **Transformation Programme (T18)**. Because of the unprecedented scale of financial challenges demonstrated in this report, Members have been considering a Transformation Programme (T18) which is viewed as the primary driver to achieve the savings required over the next few years. This is a joint transformation programme with South Hams District Council with whom the Council has been sharing services with since 2007. The joint investment costs for both Councils required for the T18 programme are £4.85 million, generating annual recurring revenue savings of £3.8 million. The Programme will be self-financing from the end of year 2 (2015/16) onwards. The payback period for the Programme is 2 years. The costs have been calculated to ensure that each Council pays its own share.

Both Councils have now made the decision to proceed with the programme and the major financial implication the Council has agreed to, is to “Approve an investment budget of £1.9 million for the T18 Programme (WDBC’s share of the overall budget of £4.85 million), to be released at three key milestones, to deliver annual recurring revenue savings of £1.3 million (WDBC’s share of the savings of £3.8 million)”

- 2.14 The business case demonstrated that T18 can deliver a major contribution to the budget gap faced by the Council to 2018. Making reasonable assumptions, based on current knowledge, the results from this are included in the financial model seen in Appendix A.

### **3. NEW HOMES BONUS**

- 3.1 The table below also shows a reduction in New Homes Bonus from a high point in 2014/15. This reduction is due to the Government’s intention to top slice £400m nationally from allocations in order to fund a £2bn Economic Growth fund. The impact of this top slice is a reduction of New Homes Bonus equal to 35% in 2015/16, 29% in 2016/17 and 28% in the years 2017/18 and 2018/19. The Government are currently consulting on this top slice and the results will be incorporated in the next report. No final decision has yet been announced by the Government.

An estimate of New Homes Bonus for the next five years is shown below:

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
2011/12	323,920	323,920	323,920	323,920	323,920	
2012/13	568,622	568,622	568,622	568,622	568,622	568,622
2013/14		132,403	132,403	132,403	132,403	132,403
2014/15			233,418	233,418	233,418	233,418
2015/16 - estimated 184 properties				149,356	149,356	149,356
2016/17 - estimated 329 properties					291,707	291,707
2017/18 - estimated 374 properties						336,277
	<b>892,542</b>	<b>1,024,945</b>	<b>1,258,363</b>	<b>1,407,719</b>	<b>1,699,426</b>	<b>1,711,783</b>
Loss - Top Slice	0%	0%	0%	-35%	-29%	-28%
Forecast NHB	<b>892,542</b>	<b>1,024,945</b>	<b>1,258,363</b>	<b>915,017</b>	<b>1,206,592</b>	<b>1,232,484</b>

### 3.2 NEW HOME BONUS ALLOCATION

	2012/2013	2013/2014	2014/2015	2015/16	2016/17	2017/18
Amount receivable	892,542	1,024,945	1,258,363	915,017	1,206,592	1,232,484
T18 (Council 8 <sup>th</sup> Oct)		(400,000)				
Invest to Save reserve	(52,292)					
Current Revenue budget	(200,000)	(353,076)	(353,076)	(353,076)	(353,076)	(353,076)
Dartmoor National Park (estimate for 14/15 onwards)	(40,250)	TBA	TBA	TBA	TBA	TBA
Estimate to fund the capital programme	(600,000)	(205,000)	(521,000)	(521,000)	(521,000)	(521,000)
<b>Balance not committed</b>	<b>Nil</b>	<b>66,869</b>	<b>384,287</b>	<b>40,941</b>	<b>332,516</b>	<b>358,408</b>

## CAPITAL PROGRAMME 2014/15 to 2017/18

3.3 The table below shows the proposed Capital Programme to 2017/18.

	<b>2014/2015</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
Tenants Incentive Scheme (TIS)	15,000	15,000	15,000	15,000
Village Halls and Community Projects	36,000	36,000	36,000	36,000
Affordable Housing (see 3.4)	200,000	200,000	200,000	200,000
T18 Investment	100,000	100,000	-	-
Disabled Facilities Grants	450,000	450,000	450,000	450,000
Government Grant funding towards Disabled Facilities Grants	<i>(180,000)</i>	<i>(180,000)</i>	<i>(180,000)</i>	<i>(180,000)</i>
Less anticipated slippage on the capital programme	<i>(100,000)</i>	<i>(100,000)</i>	-	-
<b>Potential funding from New Homes Bonus (Required to fund the Capital Programme)</b>	<b>521,000</b>	<b>521,000</b>	<b>521,000</b>	<b>521,000</b>

3.4 The Council is working towards becoming self funding for Affordable Housing from commuted sum receipts (financial contributions from developers). It is anticipated that there could be sufficient commuted sums within the next two years not to require any additional capital contributions. In the above table allocations of £200K have been made for the next four years and the situation will be reviewed to ensure we have accumulated sufficient receipts to negate the need for the allocations in 2016/17 and 2017/18.

### 4. CONCLUSION AND OPTIONS TO CLOSE THE BUDGET GAP

4.1 As previously concluded, the Council can remain financially viable through careful financial management and a focus on the Transformation Programme. This is not to understate the considerable financial pressures that the Council will face through the continuing reductions in Government Funding.

4.2 The Council's well above average performance in terms of New Homes Bonus provides an essential 'stop gap' in funding which allows the Council to deliver significant transformation savings via a well managed programme of change which aims to minimise any reductions to services.

4.3 There are several elements of this budget report which are currently still unknown and some of which will be firmed up by the end of December. These are

- Government finance settlement for 2014/15
- Final Tax base figures for 2014/15
- The Government decision on the current consultation with regard to the top slicing of new homes bonus
- Further modelling of the Business Rate likely position
- The Actuarial valuation of the Council's pension fund.



- 4.4 **Balancing the budget gap for 2014/15.** The situation will be reviewed in Jan 2014 and the recommendation on how to balance the current resulting budget gap of £224,583 will be a report to the Resources Committee in January 2014, following the government announcement on the final finance settlement. This could be a combination of the final figures from those currently uncertain (as listed in point 4.3) and the balance from New Homes Bonus. (As per 3.2 there is a balance of 384,287 remaining on the New Homes Bonus). **Therefore the strategy for closing the 2014/15 budget gap will predominantly be to use New Homes Bonus.**
- 4.5 The position will be similar for 2015/16 when further prediction of Business Rate growth income will be available and options such as the use of the New Homes Bonus or reserves would be available temporarily to meet the budget gap, in light of the T18 savings which would be delivered in 2016/17.
- 4.6 External Audit Financial Resilience report – The Council was given four green lights (Arrangements meet or exceed adequate standards) in all four areas assessed of;
- Key Indicators of performance
  - Strategic Financial Planning
  - Financial Governance
  - Financial Control

The full report is available on the agenda for the Audit Committee of 10<sup>th</sup> December 2013.

- 4.7 It was noted that the reports to Members in relation to “Meeting the Financial Challenge” ensured a common understanding of the financial environment and clearly highlighted the scale of the financial challenge, provided updates on funding allocations and progress in closing the budget gap and the link to the T18 Programme. It was also noted that the Council has a very good understanding of the financial challenges it faces and is proactive in planning and taking action to address these issues. The report also recognised that the Council is facing very significant reductions in funding and the decision regarding the future operating model.

## **5. LEGAL IMPLICATIONS**

- 5.1 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.

## **6. RISK MANAGEMENT**

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

## 7. OTHER CONSIDERATIONS

<b>Corporate priorities engaged:</b>	A balanced budget underpins the Council's capacity to deliver its corporate priorities.
<b>Statutory powers:</b>	Local Government Act 1972, Section 151
<b>Considerations of equality and human rights:</b>	N/A
<b>Biodiversity considerations:</b>	None directly related to this report.
<b>Sustainability considerations:</b>	None directly related to this report.
<b>Crime and disorder implications:</b>	None directly related to this report.
<b>Background papers:</b>	Report to Resources Committee on 17 <sup>th</sup> September Meeting the Financial Challenge
<b>Appendices attached:</b>	<b>Appendix A</b> – Budget Pressures and Savings <b>Appendix B</b> – Five Year Cumulative Budget Gap

## STRATEGIC RISKS TEMPLATE

No	Risk Title	Risk/Opportunity Description	Inherent risk status				Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel			
1	Robustness of medium term financial strategy and service blue-prints	Not achieving financial savings as anticipated	5+	3	15	↔	Corporate engagement in the development of the medium term financial strategy.	H of Finance & Audit
		External change to the national economic environment which may impact on our funding expectations. Implications of changes to the funding of local government through locally collected business rates and revenue support grant. Effect of the localisation of council tax.  Achieving anticipated income targets in the current financial climate.					Service commitment to business planning processes.  Robust horizon scanning to monitor changes in Government policy.  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) Monitoring of corporate income streams and revenue budgets.	Corporate Director (TW)  Corporate Director (AR)  H of F&A  H of F&A
2	Income from Business Rates	The figures for income from Business Rates are best estimates at this date (the NNDR1 return forecasts Business Rates for the forthcoming year). Predictions could vary by £100,000.  The figures are subject to	5	3	15	↔	The position will be monitored by the Head of Finance and Audit.  The quarterly Revenue Budget Monitoring reports will monitor Business Rates income against projections. Any variances will be highlighted to Members at an early stage.  The Council is part of a Devonwide	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			
		volatility both from business rating appeals and the economic climate.					Pooling arrangement for business rates.	
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 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.	Head of Finance and Audit
4	Corporate Priorities	Failure to target budgets to service priorities	5	3	15	↔	Service priorities will be reviewed. Budget reductions include a section on their impact on council priorities and a risk assessment. The budget is subjected to consultation with all Members, the public and the business community. Adequate levels of appropriately trained staff. Thorough planning and monthly monitoring of performance to management, quarterly to the Resources Committee.	Head of Finance and Audit

**BUDGET PRESSURES AND SAVINGS**

**WEST DEVON BOROUGH COUNCIL**

	<b>BASE 2013/14 £</b>	<b>Yr1 2014/15 £</b>	<b>Yr2 2015/16 £</b>	<b>Yr3 2016/17 £</b>	<b>Yr4 2017/18 £</b>
<b>BUDGET PRESSURES</b>					
Triennial Pension revaluation - new contribution rates from April 2014	0	0	40,000	20,000	20,000
Inflation on the waste collection, recycling and cleansing contract (estimate)	40,000	80,000	80,000	80,000	80,000
Inflation on the street cleaning and public conveniences	0	20,000	0	0	0
Parish contribution to Public Conveniences	0	25,000	0	0	0
Inflation on the swimming pool contract (profiled fee)	30,000	10,000	10,000	10,000	10,000
Investment Income	0	5,000	0	0	0
Inflation on goods and services	50,000	15,000	15,000	60,000	60,000
Reduction in Housing Benefit administration subsidy	15,000	40,000	15,000	15,000	15,000
Walk and Talk Contribution	0	7,500	0	0	0
Increase in salaries - increments and pay and grading	50,000	75,000	0	0	0
Increase in salaries - pay increase at 1%	50,000	50,000	40,000	40,000	40,000
Actuarial strain payments	60,000	0	0	0	0
Leisure Centres - increase in the provision for repairs and maintenance	30,000	0	0	0	0
Subsidy changes from the replacement of Council Tax Benefit with Council Tax Support	45,930	0	0	0	0
Reduction in investment income	20,000	0	0	0	0
Reduction in car parking income	30,000	0	0	0	0
Tamar Valley Mining Heritage Project Legacy Plan	15,000	0	0	0	0
<b>TOTAL IDENTIFIED BUDGET PRESSURES</b>	<b>435,930</b>	<b>327,500</b>	<b>200,000</b>	<b>225,000</b>	<b>225,000</b>
<b>SAVINGS AND INCOME GENERATION IDENTIFIED</b>					
Additional income from estate management	10,000	0	0	0	0
Additional planning fee income	30,000	0	0	0	0
Reduction in the economy service	0	20,000	0	0	0
IT savings - software, maintenance & licensing	22,000	0	0	0	0
Grounds Maintenance saving	15,000	15,000	0	0	0
Savings on TIC	15,000	50,000	0	0	0
Savings on Utilities	0	15,000	0	0	0
Savings on audit fees	15,000	0	0	0	0
Reduction in provision for Tamar Valley Mining Heritage Project Legacy Plan	0	6,000	9,000	0	0
Discretionary Rate Relief	0	54,910	0	0	0
Budget Scouring Savings (see Appendix C on the Budget Monitoring report)	0	199,643	0	0	0
Additional income from new Council Tax Support Scheme (including Towns and Parishes)	0	78,000	0	0	0
Savings on Past Pension Strain	0	0	120,000	0	0
Other savings identified	24,000	3,000	0	0	0
Transformation Programme savings from 2015/2016	0	0	80,000	930,000	230,000
<b>TOTAL SAVINGS AND INCOME GENERATION</b>	<b>131,000</b>	<b>441,553</b>	<b>209,000</b>	<b>930,000</b>	<b>230,000</b>

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**FINANCIAL STRATEGY**

**APPENDIX B**

Line No.	Base 2013/14 £	Yr1 2014/15 £	Yr2 2015/16 £	Yr3 2016/17 £	Yr4 2017/18 £
1 Base budget brought forward (line 10)	7,529,105	7,830,178	7,491,542	7,111,628	6,938,745
2 Budget pressures (as per Appendix A)	435,930	327,500	200,000	225,000	225,000
3 Savings already identified (as per Appendix A)	(131,000)	(441,553)	(209,000)	(930,000)	(230,000)
Council Tax Support - Parish element	119,453				
Homelessness Prevention - funded by a specific grant	50,000				
Further Savings Identified	(173,310)				
<b>4 Projected Net Expenditure:</b>	<b>7,830,178</b>	<b>7,716,125</b>	<b>7,482,542</b>	<b>6,406,628</b>	<b>6,933,745</b>
5 Localised Business Rates and Revenue Support Grant	3,604,119	3,118,986	2,629,928	2,366,935	2,130,242
6 Council Tax income - Council Tax increase of 1.9% has been modelled for future years	3,797,214	3,894,480	4,003,624	4,143,733	4,296,647
7 Collection Fund surplus	75,769	0	0	0	0
8 Business Rates additional income		125,000	125,000	75,000	40,000
9 Funding from New Homes Bonus	353,076	353,076	353,076	353,076	353,076
<b>10 Total Projected Income</b>	<b>7,830,178</b>	<b>7,491,542</b>	<b>7,111,628</b>	<b>6,938,744</b>	<b>6,819,965</b>
<b>Budget gap per year</b>					
11 (Projected Expenditure line 4 - Projected Income line 10)	<b>0</b>	<b>224,583</b>	<b>370,914</b>	<b>-532,117</b>	<b>113,779</b>

Cumulative Budget Gap (if savings are made as predicted in the Transformation Programme)

0    224,583    595,497    63,380    177,159

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AGENDA  
ITEM

**6**

## WEST DEVON BOROUGH COUNCIL

AGENDA  
ITEM

**6**

<b>NAME OF COMMITTEE</b>	<b>Resources</b>
<b>DATE</b>	<b>10 December 2013</b>
<b>REPORT TITLE</b>	<b>Revenue and Capital Budget Monitoring 2013/14 – Quarter 2 – 30<sup>th</sup> September 2013</b>
<b>Report of</b>	<b>Chief Accountant</b>
<b>WARDS AFFECTED</b>	<b>All</b>

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### **Summary of report:**

To give Members an indication of the potential year end financial position of West Devon Borough Council for the revenue and capital budgets for 2013/14 and to bring to Members' attention any significant variance from the revenue and capital budget set. This report enables Members to monitor income and expenditure variations against the approved budget for 2013/14.

### **Financial implications:**

This report details the latest financial position of the Council's Revenue and Capital Budgets for 2013/14, as at the end of September 2013.

Currently there is predicted to be a revenue underspend of £150,000 at the year end. This is comparing the predicted revenue outturn of £7,630,000 against the net budget set of £7,780,000.

### **RECOMMENDATION:**

- 1. Members are asked to note the forecast income and expenditure variations for the 2013/14 financial year for the revenue budget.**
- 2. Members are asked to note the progress on the capital programme to 30<sup>th</sup> September 2013.**

Officer contact: Jackie Waites, Chief accountant [Jackie.waites@swdevon.gov.uk](mailto:Jackie.waites@swdevon.gov.uk)

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## 1. REVENUE BUDGET OVERVIEW

1.1 The gross service expenditure budget for 2013/14 was set at £27 million (£7.8 million net).

**Actual revenue expenditure and income is expected to be under budget by £150,000 when compared against the total budget set for 2013/14.**

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

**TABLE 1: 2013/14 BUDGET FORECAST**

	Budget 2013/14	Budget variations increase/ (decrease)		Note
	£000	£000	£000	
<b>APPROVED BUDGET</b>			<b>7,780</b>	
<b>Reductions in expenditure/additional income</b>				
Business Rates	1,439	(25)		<b>A</b>
Discretionary Rate Relief	50	(50)		<b>B</b>
Budget Scoured Savings ( <b>Appendix B</b> )	n/a	(200)		<b>C</b>
Homelessness Government Grant	n/a	( 35 )		<b>D</b>
<i>Sub total</i>			<b>(310)</b>	
<b>Increases in expenditure/reductions in income</b>				
Homelessness	75	35		<b>E</b>
Reserve Bids in year	n/a	10		<b>F</b>
Investment income	45	20		<b>G</b>
Potential additional pension cost	140	20		<b>H</b>
Street cleaning contract inflation	435	20		<b>I</b>
Parish Funding – Public Conveniences	45	25		<b>J</b>
Travel over spend on all services	56	15		<b>K</b>
TIC additional income not achievable	30	15		<b>L</b>
<i>Sub total</i>			<b>160</b>	
<b>PROJECTED OUTTURN</b>			<b>7,630</b>	
<b>PROJECTED UNDERSPEND</b>			<b>(150)</b>	

## Notes

- A. **Business Rates** – The Government introduced the Business Rates Retention Scheme on the 1 April 2013. This system enables the retention of a proportion of the business rates revenue generated in a local area by the relevant local authorities. Business rates now form a major element of the local government finance funding. Current indications are that the income from business rates may exceed the Government “baseline” grant figure. Although the system carries with it a significant risk of volatility, it is considered appropriate to include an additional £25,000 in the forecast. These figures are constantly changing and regular monitoring of the position will be undertaken.
- B. **Discretionary Rate Relief (DRR)** – New accounting arrangements have been introduced which mean that the charge previously made to the General Fund is no longer required. The costs of DRR will now be met from the Business Rates Retention Scheme (see note A above).
- C. **Budget Scoured Savings** - The Council is predicting to have saved all of the scoured savings in the year, amounting to £200,000. Please see Appendix B for details.
- D. **Homelessness** – The Council has received just over £35,000 in grant monies (for new burdens) which will be used to offset the increased cost of temporary accommodation as noted in item E.
- E. **Homelessness** – The increase in temporary accommodation is a result of a combination of factors. Namely that a local, cheaper supplier went into administration, meaning alternative, more expensive accommodation had to be sourced. More people are being accommodated under the Government’s No Second Night Out initiative to bring Rough Sleepers indoors and there has been a small decline in the numbers of social housing lets which has meant longer stays in temporary accommodation. There have also been staff shortages and issues with continuity of officers in the team which meant that the level of early intervention and prevention work was temporarily reduced.
- F. **Reserve Bids in the year** – A bid to reserves in the year totals approximately £10,000. This is for work in Planning with respect to a specialist viability appraisal.
- G. **Investment Income** – As with last year due to the low interest rates, investment income is expected to be under target. However the return on the investments is 0.4%, still higher than the benchmark of 0.36%.
- H. **Additional pension cost** – Due to the reduction in staff in the past few years the additional amounts required to fund the scheme have increased.

- I. **Street Cleaning Contract** – There is a small overspend predicted on the contract in relation to Street Cleaning and Fly Tipping.
- J. **Parish Funding** – The income budget for contributions from Parishes towards Public Conveniences has historically been set at £45,000 whereas actual levels achieved are around £20,000. A cost pressure of £25,000 has been built into the budget process for 2014-15 to realign the income budget so that it is in line with actual income achieved.
- K. **Travel expenses** – The budget for travel was reduced by half from £116,000 in 2012/13 to £56,000 in 2013/14. This was following a proposal to amend the Council's approach to essential car user allowance which was restricted to those staff for which a car was absolutely essential. The reimbursement of mileage expenditure was reduced to introduce the HMRC mileage rates (currently 45p per mile) from April 2013. The proposals for the removal or reduction in the lump sum allowance were phased in over the financial year, following negotiations with the Union. The budget of £56,000 is currently predicted to be overspent by £15,000 to reflect the transitional period and also that the budget was overspent by 15% in 2012/13 before the budget reduction was implemented.
- L. **TIC** – The total budget increase predicted for the TIC budgets was £30,000. 50% of this will be achieved leaving a balance of £15,000 that will not be achieved.

1.2 Savings expected to be achieved to balance the budget for the financial year 2013/2014 totalled £304,310, (Report to Resources 29<sup>th</sup> January and February 2013). **Appendix C** shows if these will all be achieved by the end of the year.

## 2. INCOME AND RESERVES

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

<b>Service</b>	<b>Budgeted Income for 2013/2014 to Sept 2013 £'000</b>	<b>Actual Income for 2013/2014 to Sept 2013 £'000</b>	<b>Budgeted Income for 2013/14 £'000</b>	<b>Projected income for 2013/14 £'000</b>
Car Parks	429	453	858	858
Employment Estates	120	115	240	240
Land Charges	46	37	93	93
Planning	194	224	389	389
Investment Income – see note G in Table 1 above	23	10	45	25
<b>TOTAL</b>	<b>812</b>	<b>839</b>	<b>1,625</b>	<b>1,605</b>

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

### **3. CAPITAL BUDGET OVERVIEW**

- 3.1 The Chief Accountant has consulted with officers and has used the financial position at 30<sup>th</sup> September 2013 to establish the position at the end of the second quarter. The Capital Programme was set at £1.4 million as at 1<sup>st</sup> April 2013 and the spend to 30<sup>th</sup> September 2013 was £182,000 as shown in **Appendix D**.

### **PROJECT PROGRESS**

- 3.2 **Tamar Valley Mining Heritage Project** was completed on 31<sup>st</sup> March 2013. There is a small balance of just over £30K of external funding to be spent in 2013/2014 which has all been committed. The spend to 30<sup>th</sup> September 2013 is £11,000.
- 3.3 **Leisure Contract** - At Council on 16<sup>th</sup> April 2013, Members agreed to an extension of the Leisure Contract. In line with this report, at this stage it is felt prudent to retain the existing budget. As at 30<sup>th</sup> September 2013 no monies have been spent.
- 3.4 **Disabled Facility Grant (DFG)** 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. To 30<sup>th</sup> September 2013 £156K has been spent on DFG's against a total budget for 2013/14 of £480K of which £178K is funded through a government grant. As a statutory requirement for the Council it continues to be a large part of the capital programme resource requirement.
- 3.5 **Affordable Housing** funding of £350K has not yet been spent. This budget is required to support the development of a pipeline of affordable housing schemes. Significant progress has been made and the financial support required by each scheme is now being quantified. In addition to investing in development projects, the money will also be used to support other strategic housing priorities. A report will come to Members setting out in detail how the Affordable Housing budget should be allocated to schemes and other strategic projects.

- 3.6 **Private Sector Renewal Grants (PSRG)** no longer receive any Regional Housing Pot funding (Decent Homes Grant). The money 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 Council's duties under the Housing Acts. It was recommended that any under spends be rolled forward to deal with fluctuations in demand and build up a sustainable loan fund. It was also recommended that repaid grant money from historical PSRG activity are recycled into the budget for future use. In light of this it was recommended that the capital budget for PSRG be reduced by £100,000 to a budget of £127,341 for 2013/14.

There is a Devonwide initiative for Councils to work in partnership with companies who have the obligation under the Energy Companies Obligation (ECO) to invest in energy efficient measures within housing occupied by vulnerable people. This will lever in maximum investment within the Borough to reduce fuel poverty and increase energy efficiency of the owner occupied and privately rented properties.

- 3.7 The progress on the Strategic Asset Review (which is another item on this Agenda) will be monitored quarterly along with the current capital programme.

#### **4. PRUDENTIAL INDICATORS**

The prudential code indicators are included in the Mid Year Treasury Management Monitoring Report (presented to members of the Audit Committee on 10<sup>th</sup> December). The indicators are monitored during the year through the normal revenue and capital monitoring processes. Any exceptions are reported to the Resources Committee together with any remedial action or revision required. To date all Treasury Management limits have been adhered to.

#### **5. LEGAL IMPLICATIONS**

There are no legal implications arising from this report.

#### **6. RISK MANAGEMENT**

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

## 7. OTHER CONSIDERATIONS

<b>Corporate priorities engaged:</b>	Sound financial management underpins all of the Council's corporate priorities.
<b>Statutory powers:</b>	Local Government Act 1972, Section 151 Local Government Act 2003, Section 28
<b>Considerations of equality and human rights:</b>	There are no implications arising from this report.
<b>Biodiversity considerations:</b>	There are no implications arising from this report.
<b>Sustainability considerations:</b>	There are no implications arising from this report.
<b>Crime and disorder implications:</b>	There are no implications arising from this report.
<b>Background papers:</b>	Resources Committee 17 <sup>th</sup> September 2013
<b>Appendices attached:</b>	Appendix A - Reserves Appendix B – Budget Scouring Savings Appendix C – Budget Savings Appendix D – Capital Programme – spend as at 30 <sup>th</sup> September 2013

## STRATEGIC RISKS TEMPLATE

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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 and direction of travel			
1	Budget Variances	The financial standing of the Council is put at risk through variations in income and expenditure that are not detected at an early stage.	4	2	8	↔	Continual budget monitoring at all levels within the Council ensures early identification of variances.  Reporting to the Resources Committee provides an opportunity for Members to identify and instigate remedial action where appropriate.	Heads of Service
2	Resource Planning	The Council must demonstrate that it sets budgets in line with corporate priorities and provides value for money.	4	2	8	↔	Consideration of revenue budget variances provides a mechanism for the identification of cost pressures and income opportunities that can be reflected in the Council's Medium Term Financial Strategy.	Head of Finance and Audit
3	Capital Budget Variances	To update Members on the current progress with each Capital Project and allow funding to be carried forward into the new financial year.	3	1	3	↔	When projects are completed the remaining balances can be released back into the Council's capital programme for future projects.	The Head of Finance and Audit
4	Capital Resource Planning	The main operational risk faced by the Council is the financial planning and control of the Council's capital resources.	4	1	4	↔	The accounts are drawn up in strict accordance with the Code of Practice on Local Authority Accounting in the UK 2013/14 which is recognised by statute as representing proper accounting practice.	The Head of Finance and Audit

Direction of travel symbols ↓ ↑ ↔



<b>RESERVES - PROJECTED BALANCES</b>			
	<b>Opening balance</b>	<b>Projected Balance</b>	
	<b>1 April 2013</b>	<b>31.3.2014</b>	<b>Comments</b>
	<b>£000</b>	<b>£000</b>	
<b>EARMARKED RESERVES</b>			
<b>Specific Reserves - General Fund</b>			
Rev & Bens	(30)	0	
Okehampton Depot (Waste Man budget)	(40)	(40)	
Housing Needs Survey and extension of homefinder direct	(8)	0	
LABGI	(43)	0	
PDG (ICT) Earmarked Reserve	(11)	0	
Car Parking Maintenance	(183)	(183)	
Habitats Earmarked Reserve	(50)	(40)	Planned future use over 5 years
Housing revenue element of the PDG for 08/09	(2)	0	
Landscape Maintenance	(20)	0	
Personal Search Fee S31 Grant	(34)	(34)	Ringfenced for Gov. Legislation
Housing Enabling	(8)	0	
New Homes Bonus	(53)	(119)	Includes uncommitted balance for 13/14 of £66K
County Election	(73)	0	
Devon County Council - (Localism Support officer)	(4)	0	
RIEP - Localism Projects	(10)	0	
DCC - TAP funds	(5)	0	
New Burdens Money CLG - Right to Challenge	(8)	(8)	
New Burdens Money CLG - Assets of Community Value	(5)	(5)	
Fifth Wave Neighbourhood Front Runners	(20)	0	
DCLG	(10)	0	
World Heritage Key Site	(5)	0	
Cannons Meadow	(27)	(20)	Committed over future years. Annual transfer to cover planned revenue expenditure
Millwood Homes	(15)	(10)	
T18 Programme - Invest to Save reserve	0	(600)	£400K NHB and £200K general reserves
<b>TOTAL - Earmarked Reserves</b>	<b>(664)</b>	<b>(1,059)</b>	
<b>GENERAL FUND UNEARMARKED RESERVES</b>	<b>(1,103)</b>	<b>(980)</b>	As per Budget Update report for 2014/15 to 2017/18 - Section 1.1
<b>TOTAL REVENUE RESERVES</b>	<b>(1,767)</b>	<b>(2,039)</b>	

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## APPENDIX B – Schedule of Budget Scouring Savings

<b>Environmental Health and Housing</b>	
Rationalisation of Vacant Posts	£22,670
Reduction in Home Improvement Agency Specialist Advice	£21,500
Reduction in Civil Contingencies Act budget	£12,000
<b>Finance</b>	
Rationalisation of Vacant Post	£15,800
Reduction in Cost of Finance Ledger System	£5,500
<b>Assets</b>	
Reduction in Swimming Pool Subsidy	£12,600
ICT & Customer Services	
ICT Infrastructure Savings	£22,000
<b>Environmental Services</b>	
Waste Collection Operating Costs	£12,100
Waste Collection Depot Costs	£35,000
Street Cleaning Operating Costs	£4,000
Landscape Maintenance Savings	£13,300
<b>Corporate Services</b>	
Committee Administration	£5,000
Reduction in Media Costs	£5,000
<b>Planning, Economy &amp; Community</b>	
Rationalisation of Vacant Posts	£29,000
<b>Sub Total</b>	<u>£215,470</u>
Additional Net Additions to Budget	<u>(£15,827)</u>
<b>Budget Scouring Net Total</b>	<u><b>£199,643</b></u>

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SERVICE	£	COMMENTS
<b>Community</b>		
Additional income for TIC's	30,000	achieved 50%
Reduce Community Engagement activities	15,000	achieved
Cease Non-statutory Localism work	13,000	achieved
Reduce Economic Development Grants	10,250	achieved
	<b>68,250</b>	
<b>Financial Services</b>		
savings on audit fees	15,000	achieved
	<b>15,000</b>	
<b>Environment Services</b>		
Grounds maintenance saving	15,000	achieved
Allow traders to use Council car parking land	2,000	not achieved
Cease Parish grants for graveyards	2,600	achieved
	<b>19,600</b>	
<b>Estates Services</b>		
additional income from Estates	10,000	on target to be achieved
Reduce Countryside service	23,600	achieved
Reduce Sports Development	4,560	achieved
Okehampton BIP	10,000	achieved
Tamar Valley Line discretionary grant	2,300	achieved
	<b>50,460</b>	
<b>ICT</b>		
IT savings - software, maintenance & licensing	22,000	on target to be achieved
	<b>22,000</b>	
<b>Corporate</b>		
Other small savings	24,000	achieved
Revised scheme for essential allowances and mileage rates	55,000	See Note K in the main report for an explanation. £40,000 of the £55,000 is predicted to be achieved
	<b>79,000</b>	
<b>Planning</b>		
Additional income from planning pre-application advice	20,000	To date, £13,264 has been received out of a total budget of £28,000
Additional income from planning	30,000	achieved
	<b>50,000</b>	
<b>TOTAL</b>	<b>£304,310</b>	

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CAPITAL PROGRAMME - Spend as at 30th September 2013

Project	Budget 1 April 2013	Spend to Quarter 2	Externally funded	Budget remaining	Comments
<b>On-going projects</b>					
202003 Community Project Grant Scheme	29,531	5,000		24,531	
202004 Village Hall Grant Scheme	31,008	0		31,008	
203002 Swimming Pools	306,728	0		306,728	
203057 Affordable Housing	350,000	0		350,000	
203067 Tenants Incentive Schemes	15,000	1,500		13,500	
203092 Guildhall Public Toilets	23,340	5,637		17,703	Further expenditure will occur in Quarter 3 and Quarter 4 of 2013/14
203119 Waste Management Project Set Up Costs	27,402	0		27,402	Half of this budget will be required in 2013/14 to purchase new waste containers and the rest will be requested to be rolled forward into 2014/15
203123 New Web Site	10,143	3,500		6,643	This budget will be spent in full by the end of the year
203124 Lync	23,770	0		23,770	Spend will occur in Quarter 3 and Quarter 4 and the budget will be fully spent by the end of the year
203182 Alder Road, Bishopsmead Flood Alleviation	2,000	0		2,000	
203400 Tamar Valley (no budget - externally funded)	0	10,705	10,705	0	
203220 Members ICT	1,996	0		1,996	
209000 Improvement Grants (PSRG's and DFG's)	607,909	155,652		452,257	
203125 Old Mill Site	25,000	0		25,000	
Contingency budget for unexpected items	26,173	0		26,173	
<b>Total</b>	<b>1,480,000</b>	<b>181,995</b>	<b>10,705</b>	<b>1,308,710</b>	
<b>CAPITAL FUNDING</b>					
Capital Receipts Reserve	1,055,000				
Disabled Facilities Grant	178,000				
New Homes Bonus	205,000				
Minimum Revenue Provision funding	42,000				
<b>Total Capital Resources</b>	<b>1,480,000</b>				

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## WEST DEVON BOROUGH COUNCIL

<b>NAME OF COMMITTEE</b>	<b>Resources Committee</b>
<b>DATE</b>	<b>10 December 2013</b>
<b>REPORT TITLE</b>	<b>Council Tax Support</b>
<b>Report of</b>	<b>Darren Cole, Head of ICT &amp; Customer Services</b>
<b>WARDS AFFECTED</b>	<b>All</b>

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**Summary of report:**

This purpose of this report is to gain agreement from Members on the adoption of a revised Council Tax Reduction (CTR) scheme for 2014/15. This scheme will take effect on 1<sup>st</sup> April 2014 and replace the scheme currently in place.

**Financial implications:**

The formula grant received from Central Government is expected to be reduced by over 13% for 2014/15. Council Tax Reduction funding is included in the formula grant and therefore without a new scheme in place there will be a shortfall in funding for West Devon Borough Council of approximately £76,686 and £482,000 across all preceptors.

**RECOMMENDATIONS:**

To recommend to Council:

- 1) To agree the implementation of the proposed cost neutral local Council Tax Reduction scheme for 2014/15. This scheme introduces the following changes:
  - **80% maximum liability restriction** meaning that working age claimants pay a minimum of 20% towards their Council Tax bill.
  - **A property valuation band D restriction** meaning that working age claimants living in larger properties do not receive greater levels of support than those living in small properties
  - **An exception hardship fund** to help those claimants experiencing severe financial difficulties

Officer contact: [Darren.Cole@swdevon.gov.uk](mailto:Darren.Cole@swdevon.gov.uk), 01822 813626

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## 1. BACKGROUND

- 1.1 As part of the wider Welfare Reform agenda Council Tax Benefit was abolished from April 2013. It is now the responsibility of the billing authorities to design their own local schemes. The new local scheme is called Council Tax Reduction (CTR) and is classed as a council tax discount rather than a state welfare benefit.
- 1.2 The Scheme adopted by the Council for 2013/14 was largely based on the previous Council Tax Benefit system and therefore had little impact on the benefit customer. The shortfall in government funding (approximately £400,000) was funded by technical changes to Council Tax discounts and exemptions and transitional funding from central government.
- 1.3 Council Tax Reduction is a means tested discount. In 2013/14 customers in receipt of means tested out-of-work benefits generally received a full reduction and paid no Council Tax. Low income customers received a partial reduction and paid the remainder of their Council Tax.
- 1.4 Pensioners continue to be protected from receiving any reduction to their current entitlement and will remain under a national scheme set by Government for 2014/15.
- 1.5 Any risk associated with the local schemes is shared by all the major precepting authorities through the impact on the Council Tax Base.

<b>Share of the Council Tax bill for 2013/14</b>	<b>% 2013/14</b>
West Devon Borough Council	12.5%
Devon County Council	69.3%
Police and Crime Commissioner	10.1%
Devon & Somerset Fire & Rescue	4.6%
Town & Parishes	3.5%

- 1.6 Excluding West Devon, South Hams and Teignbridge Council, all Devon Authorities implemented a liability restriction in 2013/14 and applied a cost neutral scheme, meaning that all claimants had to pay a contribution towards their Council Tax.
- 1.7 Nationwide, approximately two thirds of all authorities implemented a liability restriction and this percentage is set to rise in 2014/15.

## 2. ISSUES FOR CONSIDERATION

- 2.1 The transitional funding made available in 2013/14 (£91,000) has been withdrawn for 2014/15.
- 2.2 If the proposed scheme is not adopted, the Council will be subject to continuing with the scheme adopted for 2013/14, but without the assistance of central government transitional funding. The 1% up rating of benefits will also have to be met from Council tax

- 2.3 From 2014/15 funding for council tax support will be included within the overall local government funding scheme. West Devon Borough Council therefore decides how much funding is available to support the Council Tax Reduction scheme.
- 2.4 The major preceptors, being Devon County Council, Devon and Cornwall Police Commissioner and Devon & Somerset Fire and Rescue are all part of a Devon wide group with all local authorities to review the impact of 2013/14 schemes on customers and collection rates and explore the scheme options for 2014/15.
- 2.5 Any Exceptional Hardship Fund will be financed through the collection fund and therefore funded across all preceptors. Devon County Council will be largely funding this with a contribution of 69.3%.
- 2.6 Early evidence has shown that Councils which introduced a cost neutral scheme by passing the cut onto unprotected claimants have seen a smaller impact than expected. Councils that have been pro-active in providing early money advice and support for the most vulnerable have achieved the best rates of Council Tax collection.
- 2.7 Details of the schemes in operation around Devon and proposed changes for 2014/15 can be seen in Appendix A

### 3. Consultation

- 3.1 In devising a scheme to put out to public consultation a cost neutral approach was taken to meet the funding gap and support the government's aims of reducing welfare expenditure and increasing incentives to work.
- 3.2 The proposed scheme was out at public consultation from 12<sup>th</sup> August to 7<sup>th</sup> October 2013. The main elements of the consulted scheme were:
  - **Maximum liability restriction for working age customers** – unprotected claimants should pay something towards their council tax. The consulted scheme was based on 75% liability restriction meaning that all working age claimants would pay a minimum of 25% towards their Council Tax bill.
  - **Band D Restriction** – Those living in larger properties should not receive greater levels of support than those occupying smaller properties. This means that those living in higher band properties (E, F, G & H) will have council tax reduction limited to that of a Band D charge. The Government has applied this principle in other areas of welfare reform such as: restriction to Local Housing Allowance rates to a maximum of 4 bedrooms, a benefit cap and social size restrictions.
  - **Reduce the saving threshold from £16,000 to £6,000** – Those with £6000 or more in savings would not qualify for any council tax reduction.
  - **Exceptional Hardship Fund.** - A fund is provided to help and support those in extreme financial difficulties.

- 3.3 128 consultation replies were received, a full analysis of which can be found in Appendix B.
- 3.4 In response to the question: To what extent do you agree or disagree with the following proposal: All working age people pay something towards their council tax? 68.4% tended to agree or strongly agreed.
- 3.5 In response to the question: To what extent do you agree or disagree with the following proposal: Restrict the amount of Council Tax Reduction to a Band D charge for working age people? 44.3% tended to agree or strongly agreed.
- 3.6 In response to the question: To what extent do you agree or disagree with the following proposal: Set up a limited hardship fund that the most vulnerable people can apply to for help paying their council tax. 79% tended to agree or strongly agreed.

#### 4. Proposed Scheme

- 4.1 In response to the public consultation and additional financial analysis the proposed scheme is as follows:
- **Maximum liability restriction for working age** –The consulted scheme was based on 75% liability restriction, however the latest financial modelling confirms that this should be set at 80%, slightly reducing the impact on claimants
  - **Band D Restriction** – This part of the proposed scheme remained unchanged.
  - **Exceptional Hardship Fund** – This part of the proposed scheme remained unchanged.
- 4.2 The option to reduce the saving threshold from £16,000 to £6,000 has been removed from the proposed scheme. Responses to the consultation suggested this drop was too steep. Remodelling the reduction to £10,000 produced savings so insignificant it was decided to remove this element from the scheme. This means that the scheme does not have an adverse impact on savers.

#### 5. Impact on Council Tax collection

- 5.1 The proposed scheme increases the amount of collectable Council Tax debt. For 2013/14 the total amount collectable is approx £31,270,000
- 5.2 Collecting this new type of debt will require additional resource to assist those customers struggling to pay. Proactive assistance would be given to encourage early access to impartial money advice services.

- 5.3 Like the proposed scheme, the financial impact of this additional resource would be shared between all the major preceptors. Therefore West Devon Borough would contribute 16% of the costs of this additional resource equating to approx £4,831. This will be funded from our existing revenue budget.

Staffing cost (scale 4 post)	£25,194
Administration (mail outs)	£ 2,500
Laptop/Phone	£ 2,500
Total Cost	£30,194

- 5.4 Other Councils that invested in this additional resource in 2013/14 have benefitted from a reduced impact on collection rates despite significant pressures being placed on the tax base.

## 6. LEGAL IMPLICATIONS AND STATUTORY POWERS

- 6.1 Clause 34 of the Welfare Reform Bill provides for the abolition of Council Tax Benefit from 31<sup>st</sup> March 2013 and introduces the Local Council Tax Support schemes to be administered by Local Authorities.
- 6.2 If no local CTR scheme is adopted by 31<sup>st</sup> January 2014 the Council will be bound to continue with the scheme adopted in 2013/14.
- 6.3 As this report relates to new policy, the final decision must be made by full Council.
- 6.4 There is a requirement to consult on any proposed local CTR scheme; an 8 week consultation exercise has been undertaken.

## 7. FINANCIAL IMPLICATIONS

- 7.1 The formula grant received from Central Government is expected to be reduced by over 13% for 2014/15. Council Tax Reduction funding is included in the formula grant and therefore without a new scheme in place there will be a shortfall in funding for West Devon Borough Council of approximately £76,686 and £482,000 across all preceptors.
- 7.2 The following table shows a breakdown of the financial implications:

	Impact on all Major Preceptors	Impact on West Devon 15.91% share of the overall council tax bill – see 1.5
Estimated shortfall in funding	£482,000	£76,686
Income generated from implementing proposed scheme	£493,297	£78,484

All of these figures are based on estimates using the current levels of claimants.

## 8. RISK MANAGEMENT

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

## 9. OTHER CONSIDERATIONS

<b>Corporate priorities engaged:</b>	Community Life, Economy
<b>Considerations of equality and human rights:</b>	<p><i>In deciding to change the Council Tax Reduction Scheme for 2014, the Council has considered the effect of the changes from the existing (2013/14) scheme and is of the opinion that no transitional provisions are required. The Council will, for 2014/15, maintain a fund for those taxpayers who experience exceptional hardship.</i></p> <p>An Equality Impact Assessment has been undertaken for the proposed scheme.</p>
<b>Biodiversity considerations:</b>	There are no biodiversity considerations to this report
<b>Sustainability considerations:</b>	Financial considerations have been factored into the long term sustainability of the scheme.
<b>Crime and disorder implications:</b>	There are no crime and disorder considerations to this report.
<b>Background papers:</b>	Welfare Reform Act 2012
<b>Appendices attached:</b>	A – Devon schemes in operation B – consultation responses and analysis

### 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 Modelling	Scheme does not meet reduction in funding creating shortfall to be met by Preceptors	5	2	10	↔	Extensive financial modelling has been undertaken	
2	Agreement on scheme	Failure to agree a scheme by 31 <sup>st</sup> January 2014	5	2	10	↓	Project team and plan in place to implement scheme.	
	Financial	Detrimental impact on collection rates	5	2	10	↔	Business case in place with all preceptors agreeing financial support to fund extra resource to undertake early intervention and money advice.	
4	Financial	Future funding reductions could mean that the proposed scheme will not remain fit for purpose	5	4	20	↑	Annual review and close monitoring of announcements and national forums.	
5	Financial	Impact on wider economy and most vulnerable	5	3	15	↔	Business case in place with all preceptors agreeing financial support to provide Exceptional Hardship Fund to assist those in extreme financial need.	

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Direction of travel symbols ↓ ↑ ↔

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Devon's Recommended Schemes to Members 2014/15

All schemes are based on the using the same rules which applied to Council Tax Benefit but with the changes identified below

Local Authority	Limit Liability	Band Restriction	Upper Capital Limit	Hardship Fund	Other
East Devon District Council	80%	Band D	£8,000	Yes	
Exeter City Council	80%	NA	£6,000	Yes	
Mid Devon District Council	80%	Band D	£8,000	Yes	
North Devon District Council	75%	Band D	£6,000	Yes	Increased earnings disregard
South Hams District Council	80%	Band D	£16,000	Yes	Capital limit remains unchanged and is consistent with housing benefit capital limit
Teignbridge District Council	75% *	Band D	£6,000	Yes	*Unclear whether this will apply for 2014/15 or will be deferred until 2015/16
Torrige District Council	75%	Band D	£6,000	Yes	
West Devon Borough Council	80%	Band D	£16,000	Yes	Capital limit remains unchanged and is consistent with housing benefit capital limit
<b>Unitary Authorities</b>					
Plymouth City Council	78%	Band E	£6,000	Yes	Currently under consultation
Torbay Council	75%	NA	£6,000	Yes	

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# West Devon Borough Council Council Tax Reduction 2014/15 Consultation





1. If you are completing on behalf of an organisation please tell us the name of your organisation and who you represent.(Max 300 characters). Please ignore questions in this survey that relate to households.

	Response Count
	0
answered question	0
skipped question	128






2. Does your household currently receive Council Tax Reduction (CTR) from the Council?

	Response Percent	Response Count
Yes – please go straight to question 4 	21.1%	27
No 	78.9%	101
answered question		128
skipped question		0






3. If you are not receiving Council Tax Reduction, have you ever received this or Council Tax Benefit?

	Response Percent	Response Count
Yes 	12.6%	12
No 	87.4%	83
answered question		95
skipped question		33






**4. To what extent do you agree or disagree with the following principle: All working age people should pay something towards their council tax bill?**

		Response Percent	Response Count
Strongly agree		55.6%	65
Tend to agree		23.9%	28
Neither agree nor disagree		3.4%	4
Tend to disagree		6.0%	7
Strongly disagree		11.1%	13
<b>answered question</b>			<b>117</b>
<b>skipped question</b>			<b>11</b>

**5. To what extent do you agree or disagree with the following proposal: All working age people pay upto a minimum of 25% towards their council tax**

		Response Percent	Response Count
Strongly agree		41.9%	49
Tend to agree		26.5%	31
Neither agree nor disagree		8.5%	10
Tend to disagree		9.4%	11
Strongly disagree		13.7%	16
<b>answered question</b>			<b>117</b>
<b>skipped question</b>			<b>11</b>

## 6. What impact would this change have on your household?

		Response Percent	Response Count
No impact		77.8%	91
Low impact		1.7%	2
Medium impact		1.7%	2
High impact		12.8%	15
Unsure		6.0%	7
answered question			117
skipped question			11

## 7. If you have said that this change will have a low, medium or high impact, please give us examples (Max 300 characters) of the effect it will have on your household:

	Response Count
	23
answered question	23
skipped question	105






**8. To what extent do you agree or disagree with the following principle: Working age people living in properties with a higher council tax charge who currently receive Council Tax Reduction should pay more?**

		Response Percent	Response Count
Strongly agree		31.8%	34
<b>Tend to agree</b>		<b>32.7%</b>	<b>35</b>
Neither agree nor disagree		13.1%	14
Tend to disagree		6.5%	7
Strongly disagree		15.9%	17
<b>answered question</b>			<b>107</b>
<b>skipped question</b>			<b>21</b>

**9. To what extent do you agree or disagree with the following proposal: Restrict the amount of Council Tax Reduction to a Band D charge for working age people?**

		Response Percent	Response Count
Strongly agree		19.8%	21
<b>Tend to agree</b>		<b>24.5%</b>	<b>26</b>
<b>Neither agree nor disagree</b>		<b>24.5%</b>	<b>26</b>
Tend to disagree		18.9%	20
Strongly disagree		12.3%	13
<b>answered question</b>			<b>106</b>
<b>skipped question</b>			<b>22</b>






### 10. What impact would this change have on your household?

		Response Percent	Response Count
No impact		85.0%	91
Low impact		0.9%	1
Medium impact		1.9%	2
High impact		5.6%	6
Unsure		6.5%	7
answered question			107
skipped question			21






### 11. If you have said that this change will have a low, medium or high impact, please give us examples (Max 300 characters) of the effect it will have on your household:

	Response Count
	11
answered question	11
skipped question	117

**12. To what extent do you agree or disagree with the following principle: Council Tax Reduction should not be paid to working age people with savings or investments?**






		Response Percent	Response Count
Strongly agree		21.5%	23
<b>Tend to agree</b>		<b>30.8%</b>	<b>33</b>
Neither agree nor disagree		14.0%	15
Tend to disagree		9.3%	10
Strongly disagree		24.3%	26
<b>answered question</b>			<b>107</b>
<b>skipped question</b>			<b>21</b>

**13. To what extent do you agree or disagree with the following proposal: Reduce the savings and investment cut off limit from £16,000 to £6,000 for working age people?**

		Response Percent	Response Count
Strongly agree		20.6%	22
Tend to agree		22.4%	24
Neither agree nor disagree		14.0%	15
Tend to disagree		15.9%	17
<b>Strongly disagree</b>		<b>27.1%</b>	<b>29</b>
<b>answered question</b>			<b>107</b>
<b>skipped question</b>			<b>21</b>








### 14. What impact would this change have on your household?

		Response Percent	Response Count
No impact		85.8%	91
Low impact		0.9%	1
Medium impact		1.9%	2
High impact		3.8%	4
Unsure		7.5%	8
answered question			106
skipped question			22






### 15. If you have said that this change will have a low, medium or high impact, please give us examples (Max 300 characters) of the effect it will have on your household:

	Response Count
	11
answered question	11
skipped question	117






**16. To what extent do you agree or disagree with the following principle: Extra financial help should be given to people experiencing exceptional hardship**

		Response Percent	Response Count
Strongly agree		46.7%	49
Tend to agree		40.0%	42
Neither agree nor disagree		5.7%	6
Tend to disagree		3.8%	4
Strongly disagree		3.8%	4
<b>answered question</b>			<b>105</b>
<b>skipped question</b>			<b>23</b>

**17. To what extent do you agree or disagree with the following proposal: Setting up a limited hardship fund that the most vulnerable people can apply to for help paying their council tax**

		Response Percent	Response Count
Strongly agree		43.8%	46
Tend to agree		35.2%	37
Neither agree nor disagree		7.6%	8
Tend to disagree		6.7%	7
Strongly disagree		6.7%	7
<b>answered question</b>			<b>105</b>
<b>skipped question</b>			<b>23</b>

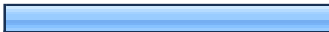


### 18. What impact would this change have on your household?

		Response Percent	Response Count
No impact		81.7%	85
Low impact		2.9%	3
Medium impact		1.0%	1
High impact		6.7%	7
Unsure		7.7%	8
answered question			104
skipped question			24

### 19. If you have said that this change will have a low, medium or high impact, please give us examples (Max 300 characters) of the effect it will have on your household:

	Response Count
	12
answered question	12
skipped question	116







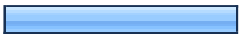


### 20. Are you:

		Response Percent	Response Count
Male		52.4%	55
Female		46.7%	49
Prefer not to say		1.0%	1
answered question			105
skipped question			23





## 21. How old were you on your last birthday?

	Response Count
	101
<b>answered question</b>	<b>101</b>
<b>skipped question</b>	<b>27</b>

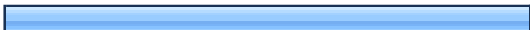




## 22. Which of these activities best describes what you are doing at present?

		Response Percent	Response Count
Employee in full time job (30 hours or more per week)		17.1%	18
Employee in part time job (under 30 hours per week)		9.5%	10
Self-employed full or part time		14.3%	15
Unpaid carer for a frail or disabled family member		2.9%	3
Full time education at school, college or university		0.0%	0
Unemployed and available for work		1.9%	2
Permanently sick/ disabled		4.8%	5
<b>Wholly retired from work</b>		<b>37.1%</b>	<b>39</b>
Looking after the home		5.7%	6
Doing something else		6.7%	7
		<b>answered question</b>	<b>105</b>
		<b>skipped question</b>	<b>23</b>

### 23. What is your marital status?

		Response Percent	Response Count
Single		12.4%	13
<b>Married</b>		<b>66.7%</b>	<b>70</b>
Separated		0.0%	0
Divorced		6.7%	7
Living as a couple		7.6%	8
Civil partnership		0.0%	0
Widowed		5.7%	6
Prefer not to say		1.0%	1
<b>answered question</b>			<b>105</b>
<b>skipped question</b>			<b>23</b>

### 24. How many children aged 16 and under are living in your household?

		Response Percent	Response Count
<b>None</b>		<b>84.8%</b>	<b>89</b>
One		8.6%	9
Two		4.8%	5
Three		1.0%	1
Four		1.0%	1
More than four		0.0%	0
<b>answered question</b>			<b>105</b>
<b>skipped question</b>			<b>23</b>



**Page 4, Q7. If you have said that this change will have a low, medium or high impact, please give us examples (Max 300 characters) of the effect it will have on your household:**

1	Would have more to spend on other things, visting places / attractions	Sep 29, 2013 7:44 PM
2	We are struggling on 1 persons part time wage and to pay £130 a month is very difficult . We get housing benefit but not council tax ,why ?	Sep 20, 2013 4:19 PM
3	Both myself and my parter are in our early 20's and we both hold down jobs which means we have no support whatsoever even though we both earn a low income and struggle sometimes, it's just something you have to work with as part of life you don't always get dicounts/handouts	Sep 17, 2013 6:53 PM
4	we would struggle to pay it	Sep 17, 2013 11:39 AM
5	my husband is disabled and not working now so any help towards our council tax would help us financially	Sep 15, 2013 4:15 PM
6	Question 5 is very difficult to interpret "up to a minimum of ..."	Sep 12, 2013 8:35 PM
7	Being sick and disabled, I have no means of increasing my income which is already very low	Sep 11, 2013 4:06 PM
8	Financial struggle.	Sep 11, 2013 3:48 PM
9	No impact what so ever!, we are not entitled to claim anything!	Sep 11, 2013 2:54 PM
10	The disabled, the infirm, pensioners, and the unemployed already suffer from extreme poverty. It would be cruel to add this on to them as well, and will probably cost much more than it earns to enforce.	Sep 11, 2013 12:38 PM
11	We already live on the poverty line	Sep 11, 2013 12:35 PM
12	Can't make sense of Q.5 "up to a minimum" ... Should these say "maximum"?	Sep 11, 2013 12:20 PM
13	My daughter is on a low wage and our Council Tax is high at band G. 25% would mean she would have to pay £65 from a low wage.	Sep 11, 2013 12:13 PM
14	I battle to scrape by each month so saving money on council tax would enable me to spend a bit of money doing repairs that I can't currently afford.	Sep 4, 2013 10:08 PM
15	I live in a household with a total income of £226 a month. Paying a minimum of 25% towards council tax would make me unable to purchase electricity, food, or make other essential payments.	Sep 4, 2013 7:56 PM
16	As a previous recipient of incapacity benefit after an accident at work I have now been moved onto ESA meaning I have had a reduction in benefits. All other bills - elec & oil & petrol have gone up - how am I supposed to pay ?	Sep 4, 2013 9:27 AM
17	Limited amount of money comes to people on benefit and having to pay could cost upto £400 this when no extra money is coming into the household.	Sep 3, 2013 7:12 AM
18	High impact beacuse I pay my council tax, there is a serious reduction in the level of service given by local authorities. If more people pay into the pot will be more for the statutory/discretionary items like the Tourist Information Centre - useful but no longer offered from next April	Sep 2, 2013 4:08 PM
19	additional financial pressure to severely disabled resident	Sep 2, 2013 2:38 PM

**Page 4, Q7. If you have said that this change will have a low, medium or high impact, please give us examples (Max 300 characters) of the effect it will have on your household:**

20	We have all our council tax paid at the moment, if this happens we will have to pay about £25 a month towards our bill, which isnt anything major really.	Aug 28, 2013 12:36 PM
21	We would have to pay some Council Tax, which would affect our ability to spend money	Aug 18, 2013 8:45 PM
22	there are 2 carers and 2 with disabilities in our household paying ct with prove difficult as we are not working due to looking after the 2 two people concerned	Aug 16, 2013 5:01 PM
23	It will have a low impact as many who are on benefits will struggle to pay the 25% so council tax will increase year on year to cover the deficits or lose services instead	Aug 13, 2013 2:31 PM



**Page 5, Q11. If you have said that this change will have a low, medium or high impact, please give us examples (Max 300 characters) of the effect it will have on your household:**

1	struggling already	Sep 17, 2013 11:40 AM
2	if people can afford those type of houses then they should be able to afford the council tax	Sep 15, 2013 4:16 PM
3	low income already	Sep 11, 2013 4:07 PM
4	I thought we were all in this together. Why on earth are you taking from the poor to give to those who can afford a bigger property!	Sep 11, 2013 12:39 PM
5	Having to pay bedroom tax and council tax would leave us with negative income	Sep 11, 2013 12:36 PM
6	My daughter is on a low wage. This proposal will have less of an impact than her contributing to a band G, but would still affect her disposable income.	Sep 11, 2013 12:19 PM
7	You are penalising me because my home is in Council tax band C. Why should people in larger, more valuable homes benefit more?? Very unfair.	Sep 4, 2013 10:10 PM
8	Of all options - if things have to change at all - this I think will be my preferred but I still question if I can literally afford to pay.	Sep 4, 2013 9:29 AM
9	This will effect a very limited group of people and have limited economic benefit for all council tax payers	Sep 2, 2013 4:10 PM
10	same as previous answer	Sep 2, 2013 2:39 PM
11	again trying to recoup the loss of income from someone on a low income would prove difficult	Aug 13, 2013 2:32 PM

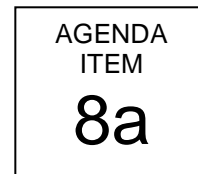
**Page 6, Q15. If you have said that this change will have a low, medium or high impact, please give us examples (Max 300 characters) of the effect it will have on your household:**

1	I am OAP on pesnion credit? My wife is on working tax credit. Are we to be penalised for budgeting sensibly. Savers, who should be encouraged, are being punished enough.davings. We ing savingsSavers, who should be encouraged, are being punished enough.	Oct 7, 2013 12:04 PM
2	What if those people are using savings for their retirement ?	Sep 20, 2013 4:21 PM
3	Rely on savings to to get by from day today	Sep 11, 2013 5:02 PM
4	I have a tiny pension which is my only income	Sep 11, 2013 1:13 PM
5	i am a 75 year old widow, I have investments but a low income from them and if I have to sell them I would end up with less income.	Sep 11, 2013 12:26 PM
6	My daughter is saving hard for a deposit on her own home. This will unfairly penalise her for saving.	Sep 11, 2013 12:22 PM
7	My savings are my pension and security yet I am being penalised for being a saver. Very unfair.	Sep 4, 2013 10:11 PM
8	Surely this penalises people who have been prudent enough to save for a 'rainy day' that might require some funds - a domestic emergency - broken boiler. Car problem etc - £16000 is about right I think.	Sep 4, 2013 9:31 AM
9	No Ompact - a limited group of people. Blanket approach preferred - we are all in this together.	Sep 2, 2013 4:11 PM
10	Have no savings	Sep 2, 2013 2:40 PM
11	I feel that the capital limit should be lower to about £3000	Aug 13, 2013 2:32 PM

**Page 7, Q19. If you have said that this change will have a low, medium or high impact, please give us examples (Max 300 characters) of the effect it will have on your household:**

1	We have no extra income and are struggling to pay bills	Sep 20, 2013 4:21 PM
2	it would help if we could get financial help with our council tax as we only have my husbands pension coming in and still have mortgage to pay out of it.	Sep 15, 2013 4:18 PM
3	Less financial stress.	Sep 11, 2013 3:50 PM
4	I agree but a "Limited" fund would be useless : it would need to be permanent	Sep 11, 2013 1:14 PM
5	I am poor so i can't afford a big house. I live in a band C house and I can't afford the council tax on that. Why shouldn't I get help?	Sep 11, 2013 12:41 PM
6	We would be able to have proper food and be able to pay our bills and for heating	Sep 11, 2013 12:37 PM
7	Don't like this option - you are made to feel a second class citizen enough by claiming benefits. More hoops to jump through is wrong.	Sep 4, 2013 9:33 AM
8	When you are on benefit that is all the money you receive, so help for some on benefit would help, such as pension credit and disability benefit.	Sep 3, 2013 7:16 AM
9	No effect. All must pay. All in this together	Sep 2, 2013 4:12 PM
10	supports the most vulnerable in society	Sep 2, 2013 2:41 PM
11	this would help our family out greatly as we are home carers	Aug 16, 2013 5:03 PM
12	again you will always get a section of people who won't oay	Aug 13, 2013 2:33 PM

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## West Devon Borough Council

<b>NAME OF COMMITTEE</b>	<b>Resources Committee</b>
<b>DATE</b>	<b>10 December 2013 (Postponed from 17<sup>th</sup> September 2013)</b>
<b>REPORT TITLE</b>	<b>Write Off Report</b>
<b>REPORT OF</b>	<b>Head of Finance &amp; Audit Head of ICT &amp; Customer Services</b>
<b>WARDS AFFECTED</b>	<b>All</b>

---

### Summary of report:

The Council is responsible for the collection of: Sundry Debts including Housing Benefit Overpayments, Council Tax and National Non-Domestic Rates.

The report informs members of the debt written off for these revenue streams. Debts up to the value of £5,000 being written off by the Head of Finance & Audit, under delegated authority. 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 1<sup>st</sup> April 2013 to 30<sup>th</sup> June 2013

### Financial implications:

West Devon Borough Council debts totalling £21,681.60 to be written-off.

### RECOMMENDATIONS:

**The Committee notes that, in accordance with Financial Regulations, the Head of Finance & Audit has authorised the write-off of individual West Devon Borough Council debts totalling £21,681.60 as detailed in Tables 1 and 2.**

**There are no individual debts in excess of £5,000 (as shown in Table 3) to be written off by the Committee.**

**Officer contact:** *Lisa Buckle: Tel ext no.3644 e-mail lisa.buckle@swdevon.gov.uk  
Darren Cole: Tel ext no. 3626 e-mail Darren.Cole@swdevon.gov.uk*

## **1. BACKGROUND**

The Council's sound financial management arrangements underpin delivery of all the Councils priorities, including the commitment to providing value for money services.

This report forms part of the formal debt write-off procedures included in these financial arrangements.

West Devon Borough Council's collection rates for 2012/13 were; Council Tax 97.2% & Business Rates 96.7%

## **2. ISSUES FOR CONSIDERATION**

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 £1,144,841. 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 £31.2 million and for Business Rates is £11.1 million.

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.

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 Acting Head of Finance & Audit under delegated authority. Cases where the debt exceeds £5,000 must, however, be approved by the Committee prior to the debt being written off.

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.

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**

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

West Devon Borough Council debts totalling £21,681.60 to be written-off.

#### 5. OTHER CONSIDERATIONS

<b>Corporate priorities engaged:</b>	Economy Homes Community Life
<b>Statutory powers:</b>	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)
<b>Considerations of equality and human rights:</b>	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
<b>Biodiversity considerations:</b>	None
<b>Sustainability considerations:</b>	A bad debt provision is built into the financial management of the Authority
<b>Crime and disorder implications:</b>	None
<b>Background papers:</b>	None
<b>Appendices attached:</b>	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

Direction of travel symbols ↓ ↑ ↔



**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	Financial Year 2013/14			Totals for Comparison purposes			
			Quarter 1	Cumulative Total		Equivalent Quarter 2012/13		Grand Total 2012/13	
			Amount (£)	Cases	Amount	Cases	Amount	Cases	Amount
<b>HOUSING BENEFIT</b>	14	Overpaid Entitlement	3,892.27	14	3,892.27	36	4,936.52	88	27,612.93
	1	Bankruptcy	1,292.34	1	1,292.34	6	2,779.98	6	2,779.98
	1	Deceased	195.00	1	195.00	6	695.43	13	2,661.99
	-	Other	-	-	-	5	2,588.27	11	3,790.32
	-	Absconded	-	-	-	23	7,282.16	32	9,393.58
	-	Not Cost Effective to Pursue	-	-	-	12	296.73	22	634.51
	-	Uncollectable Old Debt	-	-	-	-	-	6	763.49
Total	16		5,379.61	16		88	18,579.09	178	47,636.80
<b>COUNCIL TAX</b>	11	Absconded	3,230.58	11	3,230.58	48	23,136.06	241	132,502.35
	4	Bankruptcy	5,943.64	4	5,943.64	8	7,481.56	27	28,678.62
	3	Deceased	715.18	3	715.18	1	1,216.43	13	4,770.67
	2	Other	1,582.17	2	1,582.17	4	1,896.82	50	27,112.41
	18	Small Balance	234.69	18	234.69	13	345.92	130	4,492.79
	-	Uncollectable Old Debt	-	-	-	-	-	-	-
	-	Administration	-	-	-	-	-	6	1,918.64
Total	38		11,706.26	38	11,706.26	74	34,076.79	467	199,475.48
<b>SUNDRY DEBTS</b>	-	Small Balance	-	-	-	-	-	7	95.24
	-	Bankrupt	-	-	-	-	-	3	940.00
	-	Not Cost Effective to Pursue	-	-	-	-	-	9	922.75
	-	Uncollectable Old Debt	-	-	-	-	-	8	1,900.00
	-	Absconded	-	-	-	-	-	3	340.00
	-	Other	-	-	-	-	-	1	252.00
Total	-		-	-	-	-	-	31	4,449.99
<b>Grand Total</b>	<b>54</b>		<b>17,085.87</b>	<b>54</b>	<b>17,085.87</b>		<b>52,655.88</b>	<b>676</b>	<b>251,562.27</b>

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

Year	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08	2006/07	2005/06	2004/05	2003/04	Total
Value	-	317.75	897.90	192.50	-	87.13	-	422.39	774.66	538.25	-	3,230.58
Number	-	3	3	3	-	1	-	1	2	1	-	14

**TABLE 2 SUMMARY OF NON DOMESTIC RATE DEBT UNDER £5,000 WRITTEN OFF BY THE HEAD OF FINANCE**

TYPE OF DEBT	NUMBER OF CASES	REASON FOR W/OFF	Financial Year 2013/14			Totals for Comparison purposes			
			Quarter 1	Cumulative Total		Equivalent Quarter 2012/13		Grand Total 2012/13	
			Amount (£)	Cases	Amount	Cases	Amount	Cases	Amount
NON-DOMESTIC RATE	-	Bankruptcy	-	-	-	1	2,615.46	7	3,424.51
	-	Absconded	-	-	-	-	-	15	9,620.37
	-	Deceased	-	-	-	-	-	1	128.58
	-	Liquidation	-	-	-	-	-	4	4,147.15
	-	Other	-	-	-	-	-	2	615.19
	-	Small Balance	-	-	-	-	-	11	425.49
	1	Uncollectable Old Debt	1,031.14	1	1,031.14	-	-	-	-
	1	Administrative Receivership	3,564.59	1	3,564.59	1	383.02	1	383.02
<b>Total</b>	<b>2</b>		<b>4,595.73</b>	<b>2</b>	<b>4,595.73</b>	<b>2</b>	<b>2,998.48</b>	<b>41</b>	<b>18,744.31</b>

**TABLE 3 SUMMARY OF ITEMS OVER £5000 WHERE PERMISSION TO WRITE OFF IS REQUESTED**

TYPE OF DEBT	NUMBER OF CASES	REASON FOR W/OFF	Financial Year 2013/14			Totals for Comparison purposes			
			Quarter 1	Cumulative Total		Equivalent Quarter 2012/13		Grand Total 2012/13	
			Amount (£)	Cases	Amount	Cases	Amount	Cases	Amount
NON-DOMESTIC RATE	-	Liquidation	-	-	-	-	-	-	-
	-	Administrative Receivership	-	-	-	-	-	-	-
	-	Absconded	-	-	-	1	7,222.26	1	7,222.26
	-	Bankruptcy	-	-	-	-	-	3	19,458.45
Total	-		-	-	-	1	7,222.26	4	26,680.71
HOUSING BENEFIT	-		-	-	-	-	-	-	-
	-		-	-	-	-	-	-	-
Total	-		-	-	-				
COUNCIL TAX	-	Bankruptcy	-	-	-	1	6,571.71	2	12,857.54
	-	Absconded	-	-	-	-	-	1	6,781.09
Total	-		-	-	-	1	6,571.71	4	19,638.63
<b>Grand Total</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>13,793.97</b>	<b>7</b>	<b>46,319.34</b>

**West Devon Borough Council**

<b>NAME OF COMMITTEE</b>	<b>Resources Committee</b>
<b>DATE</b>	<b>10 December 2013</b>
<b>REPORT TITLE</b>	<b>Write Off Report</b>
<b>REPORT OF</b>	<b>Head of Finance &amp; Audit Head of ICT &amp; Customer Services</b>
<b>WARDS AFFECTED</b>	<b>All</b>

**Summary of report:**

The Council is responsible for the collection of: Sundry Debts including Housing Benefit Overpayments, Council Tax and National Non-Domestic Rates.

The report informs members of the debt written off for these revenue streams. Debts up to the value of £5,000 being written off by the Head of Finance & Audit, under delegated authority. 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 1<sup>st</sup> July 2013 to 30<sup>th</sup> September 2013

**Financial implications:**

West Devon Borough Council debts totalling £41,769.15 to be written-off.

**RECOMMENDATIONS:**

**The Committee notes that, in accordance with Financial Regulations, the Head of Finance & Audit has authorised the write-off of individual West Devon Borough Council debts totalling £41,769.15 as detailed in Tables 1 and 2.**

**There are no individual debts in excess of £5,000 (as shown in Table 3) to be written off by the Committee.**

**Officer contact:** *Lisa Buckle: Tel ext no.3644 e-mail lisa.buckle@swdevon.gov.uk  
Darren Cole: Tel ext no. 3626 e-mail Darren.Cole@swdevon.gov.uk*

## **1. BACKGROUND**

The Council's sound financial management arrangements underpin delivery of all the Councils priorities, including the commitment to providing value for money services.

This report forms part of the formal debt write-off procedures included in these financial arrangements.

West Devon Borough Council's collection rates for 2012/13 were; Council Tax 97.2% & Business Rates 96.7%

## **2. ISSUES FOR CONSIDERATION**

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 £1,144,841. 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 £31.2 million and for Business Rates is £11.1 million.

All debts, taxes and rates within the Service's control are actively pursued, and in most instances are collected with little difficulty. In cases where payment is not received on time, a reminder will be issued promptly to the debtor. If this fails to secure payment, a final reminder and/or a summons will also be issued and if necessary the debt passed to an appropriate collection agent such as the Civil Enforcement Agents or the Council's Legal Department in order to secure payment.

Sometimes however if the debtor is having difficulty making the payment, special arrangements are used to effect recovery, and this may mean extending the period of time to collect the debt.

In some cases pursuit of an outstanding 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 & Audit under delegated authority. Cases where the debt exceeds £5,000 must, however, be approved by the Committee prior to the debt being written off.

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.

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**

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

West Devon Borough Council debts totalling £41,769.15 to be written-off.

#### 5. OTHER CONSIDERATIONS

<b>Corporate priorities engaged:</b>	Economy Homes Community Life
<b>Statutory powers:</b>	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)
<b>Considerations of equality and human rights:</b>	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
<b>Biodiversity considerations:</b>	None
<b>Sustainability considerations:</b>	A bad debt provision is built into the financial management of the Authority
<b>Crime and disorder implications:</b>	None
<b>Background papers:</b>	None
<b>Appendices attached:</b>	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

Direction of travel symbols ↓ ↑ ↔

**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	Financial Year 2013/14			Totals for Comparison purposes			
			Quarter 2	Cumulative Total		Equivalent Quarter 2012/13		Grand Total 2012/13	
			Amount (£)	Cases	Amount	Cases	Amount	Cases	Amount
<b>HOUSING BENEFIT</b>	28	Overpaid Entitlement	14,162.44	42	18,054.71	22	5,453.58	88	27,612.93
<b>COUNCIL TAX BENEFIT</b>	-	Bankruptcy	-	1	1,292.34	-	-	6	2,779.98
<b>COUNCIL TAX REDUCTION</b>	2	Deceased	706.78	3	901.78	6	1,414.36	13	2,661.99
	-	Other	-	-	-	2	632.94	11	3,790.32
	2	Absconded	247.75	2	247.75	8	2,040.08	32	9,393.58
	-	Not Cost Effective to Pursue	-	-	-	10	337.78	22	634.51
	2	Uncollectable Old Debt	76.20	2	76.20	-	-	6	763.49
Total	34		15,193.17	50	20,572.78	48	9,878.74	178	47,636.80
<b>COUNCIL TAX</b>	28	Absconded	1,539.86	39	4,770.44	56	27,249.89	241	132,502.35
	6	Bankruptcy	6,516.98	10	12,460.62	9	8,752.25	27	28,678.62
	3	Deceased	372.71	6	1,087.89	3	1,038.15	13	4,770.67
	1	Other	424.00	3	2,006.17	9	5,814.56	50	27,112.41
	36	Small Balance	1,072.48	54	1,307.17	27	1,507.60	130	4,492.79
	-	Uncollectable Old Debt	-	-	-	-	-	-	-
	-	Administration	-	-	-	-	-	6	1,918.64
Total	74		9,926.03	112	21,632.29	104	44,362.45	467	199,475.48
<b>SUNDRY DEBTS</b>	-	Small Balance	-	-	-	-	-	7	95.24
	-	Bankrupt	-	-	-	-	-	3	940.00
	-	Not Cost Effective to Pursue	-	-	-	2	360.00	9	922.75
	-	Uncollectable Old Debt	-	-	-	5	525.00	8	1,900.00
	-	Absconded	-	-	-	1	70.00	3	340.00
	-	Other	-	-	-	-	-	1	252.00
Total	-		-	-	-	8	955.00	31	4,449.99
<b>Grand Total</b>	<b>108</b>		<b>25,119.20</b>	<b>162</b>	<b>42,205.07</b>	<b>160</b>	<b>55,196.19</b>	<b>676</b>	<b>251,562.27</b>

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

Year	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08	2006/07	2005/06	2004/05	2003/04	Total
<b>Value</b>	71.61	450.63	512.44	36.01	264.77	-	204.40	-	-	-	-	1,539.86
<b>Number</b>	2	10	12	1	2	-	2	-	-	-	-	29

**TABLE 2 SUMMARY OF NON DOMESTIC RATE DEBT UNDER £5,000 WRITTEN OFF BY THE HEAD OF FINANCE**

TYPE OF DEBT	NUMBER OF CASES	REASON FOR W/OFF	Financial Year 2013/14			Totals for Comparison purposes			
			Quarter 2	Cumulative Total		Equivalent Quarter 2012/13		Grand Total 2012/13	
			Amount (£)	Cases	Amount	Cases	Amount	Cases	Amount
NON-DOMESTIC RATE	3	Bankruptcy	740.77	3	740.77	-	-	7	3,424.51
	5	Absconded	5,212.26	5	5,212.26	-	-	15	9,620.37
	2	Deceased	2,728.83	2	2,728.83	-	-	1	128.58
	8	Liquidation	7,450.36	8	7,450.36	2	1,684.36	4	4,147.15
	3	Other	512.30	3	512.30	1	310.19	2	615.19
	1	Small Balance	5.43	1	5.43	-	-	11	425.49
	-	Uncollectable Old Debt	-	1	1,031.14	-	-	-	-
	-	Administrative Receivership	-	1	3,564.59	-	-	1	383.02
<b>Total</b>	<b>22</b>		<b>16,649.95</b>	<b>24</b>	<b>21,245.68</b>	<b>3</b>	<b>1,994.55</b>	<b>41</b>	<b>18,744.31</b>

**TABLE 3 SUMMARY OF ITEMS OVER £5000 WHERE PERMISSION TO WRITE OFF IS REQUESTED**

TYPE OF DEBT	NUMBER OF CASES	REASON FOR W/OFF	Financial Year 2013/14			Totals for Comparison purposes			
			Quarter 2	Cumulative Total		Equivalent Quarter 2012/13		Grand Total 2012/13	
			Amount (£)	Cases	Amount	Cases	Amount	Cases	Amount
NON-DOMESTIC RATE	-	Liquidation	-	-	-	-	-	-	-
	-	Administrative Receivership	-	-	-	-	-	-	-
	-	Absconded	-	-	-	-	-	1	7,222.26
	-	Bankruptcy	-	-	-	1	5,134.62	3	19,458.45
Total	-		-	-	-	1	5,134.62	4	26,680.71
HOUSING BENEFIT	-		-	-	-	-	-	-	-
COUNCIL TAX BENEFIT	-		-	-	-	-	-	-	-
Total	-		-	-	-				
COUNCIL TAX	-	Bankruptcy	-	-	-	1	6,285.83	2	12,857.54
	-	Absconded	-	-	-	-	-	1	6,781.09
Total	-		-	-	-	1	6,285.83	4	19,638.63
<b>Grand Total</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>11,420.45</b>	<b>7</b>	<b>46,319.34</b>



AGENDA ITEM <b>9</b>
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## WEST DEVON BOROUGH COUNCIL

AGENDA ITEM <b>9</b>
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<b>NAME OF COMMITTEE</b>	<b>Resources Committee</b>
<b>DATE</b>	<b>10 December 2013</b>
<b>REPORT TITLE</b>	<b>Partnership Policy</b>
<b>Report of</b>	<b>Community Manager</b>
<b>WARDS AFFECTED</b>	<b>All</b>

**Summary of report:**

Following a review the Partnership Policy has been updated and Members are asked to consider and approve the revised policy.

**Financial implications:**

There are no direct financial implications as a result of adopting the policy; however a consistent approach and process will deliver efficiencies, particularly in relation to officer time.

**RECOMMENDATIONS:**

That Members approve and adopt the updated Partnership Policy.

**Officer contact:**

Debbie Bird, Community Manager, [debbie.bird@swdevon.gov.uk](mailto:debbie.bird@swdevon.gov.uk)

**1. BACKGROUND**

- 1.1 Partnership working plays an important role in helping the Council to deliver both its statutory obligations and meet identified local needs in a cost effective way. Partnerships often provide far better value for money and deliver greater improvements than organisations acting on their own. In 2005 the Audit Commission recognised their value and the opportunities this way of working brings but also highlighted issues around risk, governance and accountability. Adoption of a partnership framework helps to both maximise opportunities and mitigate risks.
- 1.2 West Devon Borough Council adopted a Partnership Policy in September 2006 setting out the Council's approach to partnership arrangements.

- 1.3 Following an Internal Audit carried out for South Hams in June 2013 it was recommended that the Community Manager be appointed as the officer responsible for overseeing the Council's partnership framework. It was further recommended that, once appointed, the officer should review and update the current policy and guidelines, compile an up to date partnership register, review and update the list of significant partnerships and put in place a process to monitor and evaluate partnerships and report to Members annually on those identified as significant. It was considered that this arrangement should also be replicated for West Devon.
- 1.4 The Community Manager has now reviewed and updated the policy for Member approval and is currently progressing the remaining recommendations which will all be implemented by the end of April 2014.

## **2 PARTNERSHIP POLICY**

- 2.1 The proposed revised Partnership Policy is attached at Appendix 1.
- 2.2 The Policy is a joint policy with South Hams District Council and provides the framework for the Council's approach to the evaluation of and commitment to partnerships. It will be supported by detailed guidance and other relevant Council policy.
- 2.3 The types of partnerships covered by the policy are identified along with the considerations for entering into partnerships, the approval requirements and how partnerships will be evaluated, monitored and reviewed.
- 2.4 A register of all partnerships will be maintained and there will be additional requirements for entering into and reporting on significant partnerships.
- 2.5 The policy will be reviewed annually with minor amendments and updates delegated to the Corporate Director as allowed by the Council's Constitution. Changes that fundamentally affect the principles set out in the policy will be brought back to Committee for approval.

## **3. LEGAL IMPLICATIONS**

- 3.1 Localism Act 2011 - General Powers of Competence giving a local authority power to do anything that individuals of full legal capacity may do, giving authorities the power to take reasonable action they need 'for the benefit of the authority, its area or persons resident or present in its area'.
- 3.2 Localism Act 2011 – the Duty to Co-operate places a legal duty on local planning authorities, county councils and other public bodies to engage constructively and on an on-going basis to maximise the effectiveness of local plans.

- 3.3 The Local Government Act 2000 gave the Council the power to work in partnership with others in the public, private and voluntary sectors to promote the economic, social and environmental wellbeing of the area.
- 3.4 Other Legislation encourages or requires the Council to work in partnership i.e. the Crime and Disorder Act 1998.
- 3.5 Under the Council's constitution the Partnership Policy and agreement to enter into significant partnerships fall within the remit of the Resources Committee. Overview and Scrutiny Committee is responsible for scrutinising the performance of the Council's significant partnerships and recommending changes to arrangements.

**4. FINANCIAL IMPLICATIONS**

- 4.1 There are no direct financial implications as a result of adopting the policy, however it should be noted that a consistent approach and process across both authorities will deliver efficiencies, particularly in officer time.
- 4.2 The costs of current partnerships are included in existing budgets and any increase in costs will be the subject of either a report to Members or as part of the annual budget setting process.
- 4.3 Financial costs associated with new partnerships that are not included in existing budgets will form part of the formal approval process required under section 2.11 of the Partnership Policy.
- 4.4 Failure to adequately identify and manage risks within each partnership arrangement has the potential to incur financial loss to the Council.

**5. RISK MANAGEMENT**

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

<b>Corporate priorities engaged:</b>	Community Life Economy Environment Homes
<b>Statutory powers:</b>	Localism Act 2011 – General Powers of Competence and Duty to Co-Operate Local Government Act 2000 – partnership working to promote social, economic and environmental wellbeing
<b>Considerations of equality and human rights:</b>	The provisions of the Human Rights Act 1998 and Equalities Act 2010 have been considered when developing this policy. A 360 degree assessment is not required as the policy will not disproportionately affect any group covered by the Equalities Act.

<b>Biodiversity considerations:</b>	There are no biodiversity implications as a result of this report.
<b>Sustainability considerations:</b>	The long term sustainability of each partnership must be considered at the outset and during the annual review and evaluation.
<b>Crime and disorder implications:</b>	The Crime and Disorder Partnership, under the Crime and Disorder Act 1998, is a legal requirement and is covered by this policy.
<b>Background papers:</b>	South Hams Internal Audit Report on Partnership Management June 2013
<b>Appendices attached:</b>	Appendix 1 – Draft Partnership Policy

## 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			
Page 83	Entering into Partnerships	<p>Risk – Council enters into partnerships that do not meet need or provide value for money</p> <p>Opportunity – new partnerships can help deliver better outcomes in a cost-effective way</p>	High -Damage to reputation, Failure to deliver outcomes, Financial cost	Low	8	↔	<p>Partnership Policy provides a framework for assessment and approval with additional requirements for those partnerships identified as significant.</p> <p>Detailed guidance being developed to support policy.</p> <p>All partnerships must have comprehensive agreements/terms of reference agreed at the outset.</p> <p>Community Manager and Internal Audit Manager provide additional support and guidance.</p> <p>New partnerships to be added to partnership register maintained by Community Manager.</p>	<p>Community Manager</p> <p>Lead Officer for the relevant partnership</p>
	Accountability and governance	There are no proper arrangements in place as to the operation of the partnership and the responsibility of partners	High - Damage to reputation, Failure to deliver outcomes, Financial cost	Low	8	↔	<p>All partnerships must have comprehensive agreements/terms of reference agreed at the outset.</p> <p>Partnerships must comply with the Council's Code of Conduct and Constitution.</p>	Lead Officer for the relevant partnership
	Monitoring and evaluation of partnerships	Delivery of outcomes and value for money	Moderate - Damage to reputation, Failure to deliver outcomes, Financial cost	Medium	9	↓	<p>Partnership register maintained and reviewed annually.</p> <p>All partnerships must be reviewed annually in accordance with the policy and significant partnerships reported to Scrutiny.</p>	<p>Community Manager</p> <p>Lead Officer for the relevant partnership</p>

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## **Appendix 1 - South Hams District Council and West Devon Borough Council Partnership Policy**

### **1. Introduction**

- 1.1 In 2005 the Audit Commission's report 'Governing Partnerships: Bridging the Accountability Gap' recognised that local partnerships are essential to deliver improvements in local people's quality of life but that:
- they bring risks as well as opportunities;
  - governance can be problematic;
  - it can be difficult to ensure value for money; and
  - clear accountability is required between partners to ensure real accountability to the public.
- 1.2 Partnership working has played an important role in the public sector in the last few years and continues to do so. There are partnerships required by statute, the formation of Government backed partnerships to deliver economic growth and locally based partnerships with community and voluntary groups and stakeholders to address local issues, all of which form an integral part of policy development and service delivery. The Duty to Cooperate, set out in the Localism Act 2011, also places a legal duty on local planning authorities, county councils and other public bodies to engage constructively and on an on-going basis to maximise the effectiveness of Local Plans in addressing strategic cross-boundary issues.
- 1.3 It is however important to ensure that partnerships are appropriate, offer value for money, have correct governance arrangements in place and that any risks and implications for the Council are understood and mitigated. There must also be a mechanism in place to monitor partnerships to ensure that agreed outcomes are being delivered and under-performance can be addressed.
- 1.4 This policy provides a framework for Officers and Members on the Council's approach to the evaluation of and commitment to partnerships. The policy will:
- Assist any service wishing to review current partnership arrangements;
  - Ensure a Council wide approach to developing and entering into partnerships;
  - Provide advice and guidance for all Council staff involved in or considering a new partnership initiative.
- 1.5 Further detailed guidance will be available to complement the framework. Advice concerning the interpretation of this policy can also be provided by the Community Manager or the Chief Internal Auditor.

## 2. PARTNERSHIPS

### What is a Partnership?

- 2.1 For the purpose of this framework a partnership is defined as:  
***“A relationship between two or more independent legal bodies, organisations or individuals working together to achieve a common vision with clear aims, objectives and outcomes agreed”***
- 2.2 This policy is only concerned with arrangements where the Council is working with other parties towards joint objectives, sharing responsibilities, risk and sometimes resources. These partnerships are generally about benefiting the community and not making a profit. Therefore, the types of partnership arrangements covered are:
- Strategic Alliances
  - Partnerships required or encouraged by law
  - Not-for-Profit organisations
  - Social Enterprises
- A brief explanation for each type of partnership can be found in the detailed guidance.
- 2.3 The following are not covered by this policy:
- Groups where the Council has direct control over budgets or decision making;
  - Informal groups set up to discuss and consider specific topics;
  - Appointments and/or financial commitments to outside bodies where the Council has no strategic or policy function;
  - “Commercial Partnerships” with a view to make a profit, which are subject to the Partnership Act 1890;
  - Other commercial agreements;
  - Contracts and arrangements defined as legally binding which:-
    - May be oral, written, partly oral and partly written or implied from conduct between the Council and another legal body or individual;
    - Gives rise to obligations which are enforced or recognised by law;
    - Commits the Council to make payment or provide some such other consideration (e.g. the provision of a service).

***Note: There may be contractual arrangements where the failure of the contract would have a significant effect on the Council. In these cases the project planning stage should identify this and a form of partnership working may be appropriate.***



## Entering into a Partnership

- 2.4 Before entering into a partnership it is important to fully consider the need, objectives, resource requirements, expected outcomes and risks and establish whether the partnership will assist the Council in meeting its statutory responsibilities and/or contribute to the delivery of locally identified priorities for the area. If it is identified that the partnership will not provide either of these then it should progress no further.
- 2.5 A Partnership Assessment Checklist is provided in the detailed guidance and should be completed and retained along with any supporting documentation for the life of the Partnership and for a period of six years afterwards.
- 2.6 Identifying opportunities and risks at an early stage enables the partnership to effectively manage strategic decision making, service planning and delivery to ensure that outcomes can be met and objectives achieved. Identifying opportunities helps to focus attention on maximising these and identifying risks enables them to be fully understood and managed so as to reduce and mitigate both the likelihood of occurrence and the impact should they occur.
- 2.7 Partnerships should be assessed in accordance with the Council's current Risk Management Policy. In respect of partnerships:
- All partners should be aware and understand the nature and extent of the risks they and other partners face;
  - There is an effective strategy in place to mitigate those identified risks and maximise identified opportunities;
  - All partners play their part in effectively managing risk to ensure the Partnership's objectives are achieved.
- 2.8 The Council's Code of Corporate Governance applies to its partnerships and governance arrangements relating to partnerships are also set out in the Council's Constitution.
- 2.9 The information partners will share with each other must be agreed at the outset and it may be necessary to set these out in an Information Sharing Protocol. Regard must be given to legal compliance, records management, security and other relevant Council policies.
- 2.10 Terms of Reference should be drawn up and agreed by all parties. Further information and a suggested template can be found in the detailed guidance. For significant partnerships the terms of reference should be checked by the Council's Legal Team.
- 2.11 For significant partnerships formal approval will be required to enter into the arrangement. A report should be submitted to the Executive or relevant Committee having first been discussed with the Head of Service or Corporate Director, as appropriate, and the Portfolio Holder/Committee Chair. The report should be an appraisal of the partnership and include a business case setting out

the need for the partnership, objectives, aims, opportunities, benefits, outcomes, risks and governance arrangements. A Project Initiation Document may be used for this purpose.

### **Significant Partnerships**

2.12 Some partnerships have a higher impact than others and it is important to determine which these are. The following factors may lead to a partnership being considered significant:

- It has a high influence on Council or Partnership spending or provides an opportunity to access a significant level of funding;
- It has a high impact on service delivery;
- It is required by legislation;
- It has a high impact on strategic policy development;
- It has a significant role in meeting identified local needs and priorities;
- It has the potential to save considerable funds and provide a high level of “value for money” compared to partners acting independently;
- It has a high public profile and is involved in significant strategic work that affects the public.

2.13 The degree to which a partnership meets one or more of the above criteria and its impact will determine whether it is a significant partnership. All partnerships should be assessed to decide whether they fall into this category.

2.14 As per 2.11 above Significant Partnerships must be formally approved. In addition a report on these partnerships will be presented to the appropriate Scrutiny Panel or Committee annually as set out under “Evaluation and Review”.

### **Partnership Register**

2.15 A register of partnerships will be maintained and all new partnership must be added to the register.

2.16 The register will be reviewed annually.

### **Evaluation and Review**

2.17 Each partnership must be reviewed on an annual basis. This responsibility will rest with the Council’s lead officer for the partnership, who must as a minimum review:

- Whether the partnership has met its objectives and delivered agreed outcomes for the previous year and is likely to continue to do so;
- Whether the partnership still meets local needs and priorities;
- Any financial and resource commitment and that value for money is being achieved;
- Whether any changes are required to the terms of reference.

2.18 For each significant partnership the lead officer will need to complete a written appraisal following the end of the financial year that includes the information set out above plus the following:

- Key achievements for the year,
- Challenges that arose and how these were addressed;
- Key risks;
- Overall conclusion, which should indicate whether the partnership should continue and set out any recommended changes and the reasons these are proposed.

An appraisal template is provided in the detailed guidance. The appraisal should be completed by the 1<sup>st</sup> September; this should allow sufficient time for relevant performance and financial information to become available.

2.19 Completed annual appraisals will be presented to the appropriate Scrutiny Panel or Committee. The Panel/Committee will be asked to review these partnerships and recommend any significant changes proposed to the relevant Committee or Executive. They may also make recommendations as to further changes or invite the partnership chair/lead officer to attend a future meeting to present more detailed information on the partnership's operation and delivery giving Members an opportunity to scrutinise the partnership in greater detail.

2.20 For clarity, minor amendments that do not significantly impact or alter the partnership's arrangements or affect outcomes and resources may be agreed by the lead officer in consultation with the appropriate Head of Service or Corporate Director without reference to Committee or Executive.

### **Exit Strategy**

2.21 To ensure that partnerships do not exist beyond their useful life it is essential that each has an exit strategy, which must be set out in the terms of reference. The exit strategy must agree the circumstances under which the partnership can be dissolved and enable partners to withdraw from the partnership when appropriate.

## **3. EQUALITY AND HUMAN RIGHTS**

3.1 The provisions of the Human Rights Act 1998 and Equalities Act 2010 have been taken into account in developing this policy.

## **4. REVIEW**

4.1 This policy will be reviewed annually. The Corporate Director will have delegated power to approve minor amendments and updates. Substantial changes will require the approval of the relevant Committee or Executive.

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AGENDA  
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## WEST DEVON BOROUGH COUNCIL

AGENDA  
ITEM  
**10**

<b>NAME OF COMMITTEE</b>	<b>Resources Committee</b>
<b>DATE</b>	<b>10 December 2013</b>
<b>REPORT TITLE</b>	<b>Application to designate a Neighbourhood Plan Area for Lifton</b>
<b>Report of</b>	<b>Strategic Planning Officer</b>
<b>WARDS AFFECTED</b>	<b>Lifton Parish</b>

**Summary of report:**

Lifton submitted an application to the Council to designate a plan area in respect of preparing a neighbourhood plan.

The application was advertised for six weeks between 5<sup>th</sup> September and 18<sup>th</sup> October 2013 during which comments were invited about whether the plan area is appropriate.

The Council has not received any objections to the designation of the plan area proposed.

**Financial implications:**

The financial impact of the assessment should be cost neutral due to the Council being able to claim back any associated costs as detailed in section 4 and below.

Where applications for plan areas are successful, the Council can apply for financial support from the Government to recognise the authority's costs in assisting in the preparation of neighbourhood plans. The Council intends to submit an application in this respect in January 2014. More details are provided in Section 4.

**RECOMMENDATIONS:**

It is recommended that

- Members approve the designation of the Lifton Plan Area for the purposes of preparing a Neighbourhood Plan.
- Members support an application for financial support from central government to help cover the costs of the Local Authority associated with preparing a Neighbourhood Plan.

**Officer contact:**

Rebecca Black | Strategic Planning Officer  
01822 813556

## 1. BACKGROUND

- 1.1. The Localism Act and National Planning Policy Framework (NPPF) both came into effect in 2012. These encourage and support communities to prepare plans for their area.
- 1.2. The Council has adopted a Community-Led Planning Protocol which provides clear information on the procedures that will guide the community planning process following the designation of a plan area at the local level.
- 1.3. The first step in the community planning process is to designate the area which the plan will cover which requires communities to make an application to the Borough Council. The application is subject to a six week period where those who live, work or carry out business in the area are invited to comment on whether the proposed area is appropriate. There are other opportunities in the community planning process to put forward ideas about what the plan should contain.
- 1.4. This Committee report considers one application to designate a plan area in Lifton for the purposes of preparing a Neighbourhood Plan. They are to be assessed against the following five criteria set out in the Neighbourhood Planning Protocol:

Criteria
1. The applicant is an appropriate body with responsibility for leading the plan process (i.e. a town or parish council)
2. Terms of Reference for the group have been prepared and signed by all members of the group
3. The proposed area is suitable and reasons have been adequately demonstrated if it does not follow the boundaries of existing parishes
4. The area does not overlap any other designated neighbourhood area
5. The plan area does not prejudice other neighbourhood areas coming forward in the future

## 2. ISSUES FOR CONSIDERATION

### Lifton Plan Area

- 2.1 Lifton Parish Council submitted an application to the Borough Council in September 2013 to designate the area that they intend their neighbourhood plan to cover. This area covers the extent of the parish boundary and can be viewed in Appendix A.
- 2.2 The application is accompanied by a Terms of Reference for the group that will be responsible for leading the process in Lifton. This group has been endorsed by Lifton Parish Council. The Terms of Reference for the group can also be viewed in Appendix A.

- 2.3 The application has been displayed throughout the parish through the use of pink site notices and the opportunity to comment on the proposed designation has been publicised on the Parish Council website, through the local publicity, and a public meeting.
- 2.4 The Council received seven representations during the consultation period from Devon and Cornwall Police (Architectural Liaison Officer), English Heritage, the Homes and Communities Agency (HCA), Natural England, South West Water and St Giles on the Heath Parish Council as a neighbouring parish to Lifton. None of these bodies object to the proposed plan area.
- 2.5 As such, it is considered that the plan area is appropriate and can be designated for the purposes of preparing a neighbourhood plan for Lifton.

### **3. LEGAL IMPLICATIONS**

- 3.1 The Localism Act, National Planning Policy Framework and West Devon's adopted Core Strategy all make provision for communities to prepare plans that influence planning and development in their area.
- 3.2 This application is also made in accordance with the Council's adopted Community-Led Planning Protocol.
- 3.3 The "*Town and Country Planning, England, Neighbourhood Planning (General) Regulations 2012*" set out the procedures which govern the processes of neighbourhood planning.

### **4. FINANCIAL IMPLICATIONS**

- 4.1 The financial impact of the assessment should be cost neutral due to the Council being able to claim back any associated costs as detailed below.
- 4.2 Once neighbourhood plan areas are designated, the Council can apply for financial support from the Government to recognise the authority's costs in assisting in the preparation of Neighbourhood Plans. The Council intends to submit a bid in this respect in January 2014.
- 4.3 For member's information, the government has set out a programme of financial support for neighbourhood planning from 2013/14 and 2014/15 for local authorities. The authority is able to claim for financial support for up to 20 designations in each financial year 2013/14 and 2014/15. There are various payment stages to reflect the work involved. These are as follows:
  - The first payment of £5,000 will be made following designation of a neighbourhood plan area.
  - A second payment of £5,000 will be made when the local planning authority publicises the neighbourhood plan prior to examination.
  - The third payment of £20,000 will be made on successful completion of the examination and any other further steps that may be needed for the plan to come into legal force, including referendum.

- 4.4 The government has also made a separate funding stream available for communities to be able to access direct support or grant arrangements for up to £7,000 to help them produce their plan.
- 4.5 Whilst these are the current arrangements at the time this report was prepared, the arrangements may change in the future. The Committee will be advised at future meetings of any changes.

## 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

<b>Corporate priorities engaged:</b>	All
<b>Statutory powers:</b>	National Planning Policy Framework (NPPF) Localism Act 2011 Town and Country Planning, England Neighbourhood Planning (General) Regulations 2012
<b>Considerations of equality and human rights:</b>	This report seeks to ensure that communities are enabled to prepare community-led plans for their areas and that the process undertaken is fair, transparent and inclusive for everyone.
<b>Biodiversity considerations:</b>	There are no direct biodiversity implications arising from the report.
<b>Sustainability considerations:</b>	The designation will enable the community to prepare a plan to secure a sustainable future for the area.
<b>Crime and disorder implications:</b>	There are no proposals contained within this report which have direct crime and disorder implications to consider.
<b>Background papers:</b>	Community-Led Planning Protocol
<b>Appendices attached:</b>	Appendix A – Lifton Neighbourhood Plan – Application form, Map and Terms of Reference



## 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	Lack of plan to guide local development initiatives in Lifton.	If the plan area is not designated then the Lifton neighbourhood planning group cannot progress work on its plan. Without a plan in place, decisions relating to development in the area of Lifton will defer to national and Borough-level planning policy.	2	2	4	↑	Approve the designation of the plan area	Strategic Planning

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West Devon  
Borough  
Council

## Application Form for Designation of Plan Area

<b>Name of Applicant</b> <i>(this must be a Parish or Town Council)</i>	<b>Lifton Parish Council</b>
<b>Contact Details</b> <i>Please supply contact details of project lead</i>	Name: Councillor Brian Moore Address: 5 Moorfield, Lifton, Devon PL16 ODX  email cllrbrianmoore@liftonpc.org.uk Telephone 01566784112 Mobile 0774398040
<b>Name of proposed plan area</b>	<b>Lifton Parish Neighbourhood Plan</b>
<b>Map of proposed plan area</b>	<i>Please supply a separate map showing the boundaries of the proposed plan area</i>
<b>Statement confirming why the proposed plan area is appropriate</b>	<i>Please explain why the proposed plan area is an appropriate designation</i>
<b>Type of plan proposed</b>	<i>Please circle</i> <input checked="" type="radio"/> Neighbourhood Development Plan <input type="radio"/> Neighbourhood Development Order <input type="radio"/> Community Right to Build Order <input type="radio"/> Community Plan <input type="radio"/> Plan-It Lite
<b>Group Terms of Reference</b>	<i>Please supply a separate sheet detailing the Group's Terms of Reference</i>

## **Lifton Parish Neighbourhood Plan**

### **Purpose of the Plan**

To enable the residents of Lifton Parish to have an active role in forming planning policies, and to facilitate the sustainable growth of the Parish

- **Objectives**
- To provide a locally accountable and representative lead for plan making in the parish.
- To produce a sound Neighbourhood Plan that addresses the priorities identified by the local community.
- To agree a vision for the future development of the Parish.
- To consider local services, the economy, local facilities, housing, transport and technology, and the environment and engage with the relevant provider or authority.
- To propose sites for small and large scale development.
- Set policies for future development and use of land which will enhance the quality of life in the parish.
- To provide an appropriate development plan setting out, where relevant, the means by which the policy priorities may be implemented.

All the objectives are to comply with the West Devon Borough Council development plan, the National Planning Policy Framework, and all national and EU policies and directives

### **Membership and Governance**

Lifton Parish Council has granted delegated authority to the Lifton Neighbourhood Plan Project Team to deliver a Neighbourhood Plan for the Parish. The team will guide and agree the content of the plan and all associated evidence and analysis to the point of submission to West Devon Borough Council.

The Project Team will:

- Provide a locally accountable and representative lead for plan-making.
- Agree a project timetable for the preparation of the Neighbourhood Plan.
- Agree a strategy for communicating, consulting and engaging, including those who live or work in the Parish, local stakeholders and relevant infrastructure providers.
- Agree the content of material for consultation and engagement, including the Plan
- Carry out all statutory duties contained in the Neighbourhood Planning (General) Regulations 2012.
- Approve all background evidence prior to publication.
- Liaise with relevant organisations and stakeholders to secure their input in the process.

- Assess existing evidence about the needs and aspirations of the Parish
- Agree, subject to formal agreement from Lifton Parish Council, the final submission version of the Lifton Neighbourhood Plan.
- Actively support and promote the preparation of the Lifton Neighbourhood Plan throughout the duration of the project.

The project team will be formed of a lead group of four Parish Councillors, and six or more residents of, or those who work in, the parish. The chairman will be appointed from the group of four councillors.

- Individual members of the project team may be called on to use their personal expertise to carry out research on behalf of the team – reporting to the full group
- The team may engage other parishioners or consultants as it deems fit in order to resolve or explain contentious or obscure matters
- The Parish Council members of the group will have to declare interests as they arise under the regulations currently in place. Other members of the group will be expected, for the maintenance of good relations in a small community, to declare any personal or financial interest, including those relating to the ownership of land.
- Those declaring such an interest will be asked to leave the room if a vote is required to determine a recommendation.
- The Ward Member will be asked to attend meetings ex officio but will not be entitled to vote.
- If consensus is not achieved on any discussion item, a vote will be held. The usual means of a proposal, duly seconded then voted on by a show of hands - A simple majority will decide success or failure of the proposal. The Project Team cannot make binding decisions, but have to reflect the views of the community, which will become recommendations to be put forward in the draft of the final plan. The Project Team will be deemed quorate if one third or more of the total membership is present .
- Operating decisions can be made by the project team, but formal resolutions will be referred to a full meeting of the Parish Council for ratification or otherwise.
- Should any conflict arise , the Project Team Chairman will attempt to resolve the matter by mediation. Should this prove unsuccessful then a final ruling will be made at a full meeting of the Parish Council.

- Should it become necessary to seek replacement and/or additional members of the Project Team, the Project Team will bring this to the attention of those living, working, or carrying on business in the Parish by advertising the opportunity to join the team on the Parish Website, the Parish/Church newsletter and notices around the Parish

### **Reporting and Feedback**

- Monthly reports will be delivered at the regular Parish Council meetings
- Information about meetings, and updates will be posted on the Parish Council website [www.liftonparishcouncil.org.uk](http://www.liftonparishcouncil.org.uk) .
- Notices may be placed at the Post Office, and on the Parish Council notice boards.
- Surveys and letters may be circulated as required.
- Frequent public meetings will be held to update and consult with members of the Parish
- Presentations and displays of material will be available at public meetings and other community events.

### **Resources and Finance**

An application will be made for grant funding to Locality to assist in the preparation of the Plan to include

- The hire of space for public meetings
- Secretarial/Computer services and publicity material.
- The services of a Planning Consultant to provide specialist planning advice on preparing the plan and writing policies.
- Support with the 6 week pre submission consultation.
- Undertaking surveys and developing the evidence base

The cost of the final examination and referendum will be met by West Devon Borough Council, who are able to apply for financial support from the Government in this respect.

### **Monitoring and Review**

The work of the project team is to be monitored by the Parish Council, in whose name the Neighbourhood Plan will be produced.

After formal adoption of the plan the Parish Council will regularly assess its impact and implementation.

The Project Team will have the opportunity to decide whether they wish to continue as part of the monitoring process, meeting twice a year with the Parish Council, or whether they may wish to disband.

September 2013

## **Lifton Parish Neighbourhood Plan**

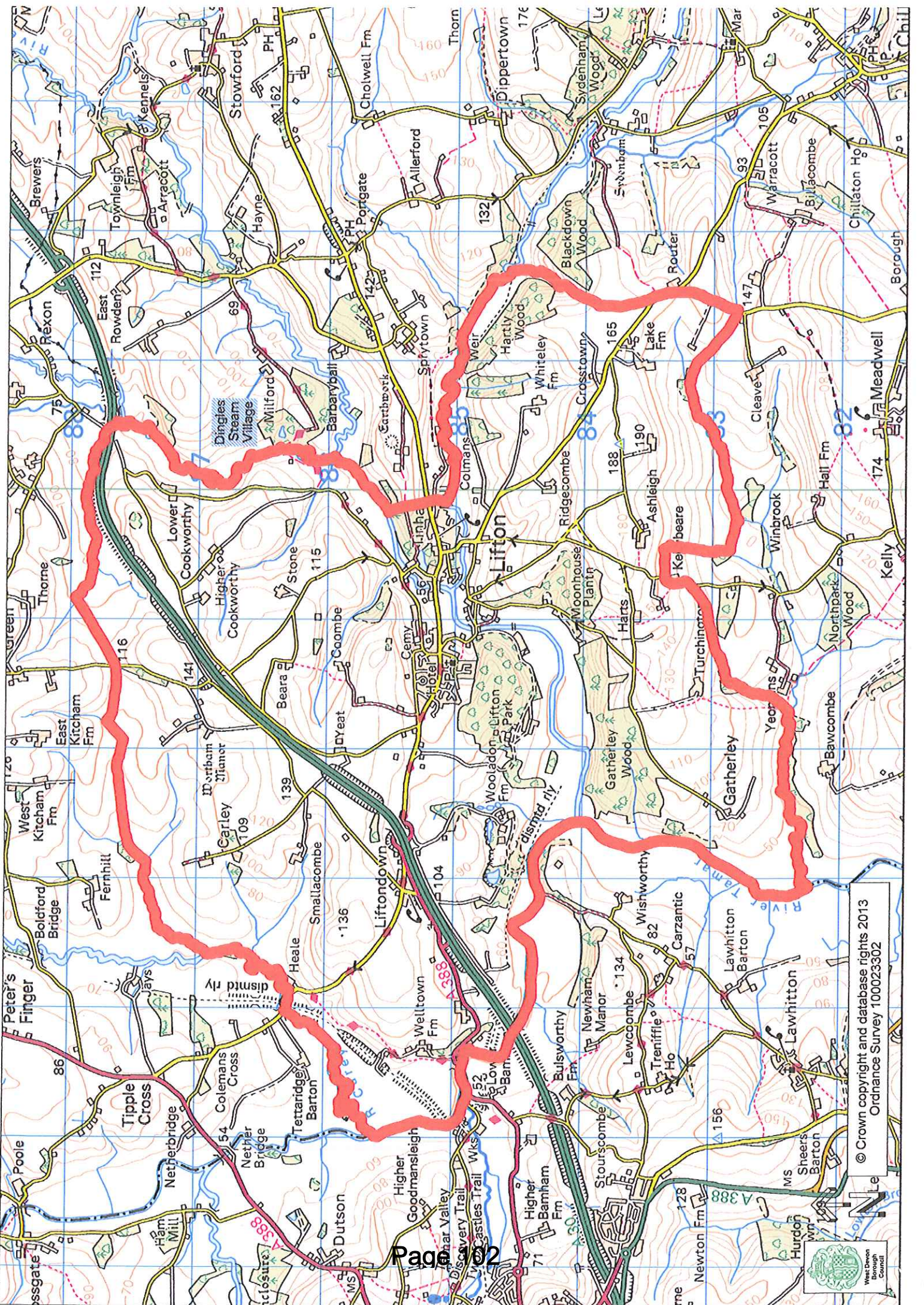
### **Proposed Plan Area**

The plan enclosed with this application outlines the entire Parish of Lifton.

Lifton village and Tinhay, along with the settlement of Lifton Down are almost in the middle of the parish.

Whilst Lifton Village and Tinhay provide the bulk of the commercial and social requirements, the wider parish is largely agricultural and has a diverse range of farms, together with a large number of units geared to tourism.

This is a cohesive community, and all residents of the Parish will without a doubt have much to say about future commercial and social development.





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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 10<sup>th</sup> day of **DECEMBER 2013** at **2.00pm**

**Present:**

Cllr P R Sanders – Chairman	
Cllr R E Baldwin – Vice-Chairman	
Cllr S C Bailey	Cllr T J Hill
Cllr C M Marsh	Cllr J R McInnes
Cllr T G Pearce	Cllr P J Ridgers

**Substitute:** Cllr R F D Sampson for Cllr W G Cann OBE

**In attendance:** Cllrs M J R Benson, D W Cloke, D M Horn and R J Oxborough

Chief Executive  
Chief Accountant  
Head of Finance & Audit  
Head of ICT and Customer Services  
Strategic Planning Officer  
Estates Manager  
Member Services Manager

**\*RC 18 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Cllr W G Cann OBE, for whom Cllr R F D Sampson substituted, Cllr C R Musgrave and Cllr E H Sherrell.

**\*RC 19 DECLARATIONS OF INTEREST**

Members were invited to declare any interests in the items of business to be discussed, and Cllr C M Marsh declared a personal interest in item 11 (Minute \*RC 30 refers) by virtue of being a member of Okehampton Town Council. Cllr Marsh remained in the meeting and took part in the debate and vote.

**\*RC 20 ITEMS REQUIRING URGENT ATTENTION**

The Chairman advised that the Council Summons for the meeting on 17 December 2013 had been published today and included a report on the replacement of the Head of Paid Service. The Chief Executive advised that ordinarily this decision would be a recommendation from the Resources Committee to full Council, however the timetable did not allow this to take place. Members generally agreed with the proposed way forward and were pleased that the speed of the process would prevent any distraction from progressing with T18.

**\*RC 21 CONFIRMATION OF MINUTES**

The Minutes of the Resources Committee Meeting held on 17 September 2013 were confirmed as a correct record.

**\*RC 22**

**BUDGET UPDATE FOR 2014/15 TO 2017/18**

The Chairman presented a report of the Head of Finance and Audit and the Chief Accountant (page 1 to the agenda) that provided an updated forecast of the budget situation for the year 2014/15 and an updated forecast for the four years to 2017/18. The forecast was intended to provide a framework within which decisions could be made regarding the future service provision and council tax levels whilst building an approach that guarantees West Devon Borough Council's longer term viability.

The Chairman advised Members that the third recommendation of the report that related to the Walk and Talk programme was to be deferred until further information was available in relation to the preferred way forward for Devon County Council. He also took Members through the agenda report and outlined key elements.

There was a detailed debate on the second recommendation that related to the Economy Service as Members were being asked to either continue with the proposed reduction in the Service, as per previous minutes (CM 88 refers), or to defer the reduction to enable it to be considered as part of T18. In conclusion, Members felt that it would not be appropriate to revisit the earlier decision and therefore concluded that the reduction in the Economy Service be progressed.

Following that debate, it was then **RESOLVED** that:

- (i) The considerable progress made by the Council on the four year budget process covering 2014/15 to 2017/18 be noted;
- (ii) Council minute (CM 88) from 16 April 2013 and the Community Services Committee Minute (CS 25) from 12 November 2013 regarding the Economy Service has been considered and it be agreed to continue with the proposed £20,000 reduction in the Service for 2014/15.

**\*RC 23**

**REVENUE AND CAPITAL BUDGET MONITORING 2013/14 – QUARTER 2 TO 30 SEPTEMBER 2013**

The Chairman presented a report of the Chief Accountant that gave Members an indication of the potential year end financial position of West Devon Borough Council for the revenue and capital budgets for 2013/14 and to bring to Members' attention any significant variances from the revenue and capital budget set. The report enabled Members to monitor income and expenditure variations against the approved budget for 2013/14.

In response to questions, the Head of Finance and Audit explained that the proposed savings in relation to travel expenses had not been achieved as the original baseline was higher than anticipated. There were also questions relating to the failure to achieve the target for contributions from parish councils towards public conveniences. The Head of Finance and Audit explained that the target was unrealistic.

This resulted in some debate and it was agreed that a further recommendation be added to request that the Community Services Committee review the position with public conveniences and be encouraged to take a robust approach.

It was then **RESOLVED** that:

- (i) The forecast income and expenditure variations for the 2013/14 financial year for the revenue budget be noted; and
- (ii) The progress on the capital programme to 30 September 2013 be noted; and
- (iii) The Community Services Committee be asked to review the position in respect of funding for public conveniences and the Resources Committee encourages a robust approach.

#### **RC 24 COUNCIL TAX SUPPORT**

The Head of ICT and Customer Services presented a report (page 27 to the agenda) that sought agreement from Members on the adoption of a revised Council Tax Reduction (CTR) scheme for 2014/15. The scheme will take effect on 1 April 2014 and replace the scheme currently in place.

He outlined the background to the report and drew Members attention to the aspects of the propose scheme for 2014/15, which had been out for consultation. The consultation responses had been taken account of in proposing the scheme for 2014/15.

A Member queried whether the Council should take a conservative approach and limit the maximum liability restriction to 75% as per the consultation. The Head of ICT and Customer Services explained that the proposed figure of 80% had arisen from a great deal of financial modelling and would result in a cost neutral scheme for the Council.

It was then **RESOLVED** that Council be **RECOMMENDED** to agree the implementation of the proposed cost neutral local Council Tax Reduction scheme for 2014/15. The scheme introduced the following changes:

- 80% maximum liability restriction meaning that working age claimants pay a minimum of 20% towards their Council Tax bill.
- A property valuation Band D restriction meaning that working age claimants living in larger properties do not receive greater levels of support than those living in smaller properties.
- An exception hardship fund to help those claimants experiencing severe financial difficulties.

#### **\*RC 25 WRITE OFF REPORT QUARTER 1**

The Chairman presented a report of the Head of Finance and Audit and the Head of ICT and Customer Services (page 51 to the agenda) that informed Members of the debt written off for revenue streams within the Revenue and Benefits Service.

It was noted that debts up to the value of £5,000 were written off by the Head of Finance and Audit under delegated authority. These debts were listed in the presented report for information.

In response to questions, the Head of ICT and Customer Services advised that the collection rate figures were benchmarked rather than the amount of monies written off, and performance at West Devon Borough Council was now improving although the collectable debt had increased considerably last year as a result of a number of changes made to the benefit and council tax schemes. He also confirmed that the figures for monies to write off were within an acceptable range. Finally, he advised that there would always be an element of local authority error resulting in overpayments, but that the Council had stringent audit processes in place.

It was **RESOLVED** that in accordance with Financial Regulations it be noted that the Head of Finance and Audit had authorised the write-off of individual West Devon Borough Council debts totalling £21,681.60 as detailed in Table 1 and 2 of the presented report.

**\*RC 26      WRITE OFF REPORT QUARTER 2**

The Chairman presented a report of the Head of Finance and Audit and the Head of ICT and Customer Services (page 51 to the agenda) that informed Members of the debt written off for revenue streams within the Revenue and Benefits Service. Debts up to the value of £5,000 are written off by the Head of Finance and Audit under delegated authority. These debts were listed in the presented report for information.

It was **RESOLVED** that in accordance with Financial Regulations, it be noted that the Head of Finance and Audit had authorised the write-off of individual West Devon Borough Council debts totalling £41,769.15 as detailed in Table 1 and 2 of the presented report.

**\*RC 27      PARTNERSHIP POLICY**

The Community Manager presented a report (page 63 to the agenda) that advised that the Partnership Policy had been updated and asked Members to consider and approve the revised policy.

In response to a question, the Community Manager agreed that the Policy could be used as a framework for a more robust agreement with South Hams District Council and that officers were currently considering this point.

It was **RESOLVED** that the updated Partnership Policy be approved and adopted.

**\*RC 28 APPLICATION TO DESIGNATE A NEIGHBOURHOOD PLAN AREA FOR LIFTON**

The Strategic Planning Officer presented a report (page 73 to the agenda) that advised that Lifton Parish Council had submitted an application to the Council to designate a plan area in respect of preparing a neighbourhood plan. The application had been advertised for six weeks during which comments were invited about whether the plan area was appropriate and the Council had not received any objections to the designation of the plan area proposed.

It was then **RESOLVED** that:

- (i) The designation of the Lifton Plan Area for the purposes of preparing a Neighbourhood Plan be approved; and
- (ii) An application for financial support from central government to help cover the costs of the local authority associated with preparing a Neighbourhood Plan be supported.

**\*RC 29 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 30 STRATEGIC ASSET REVIEW - (PARAGRAPH 3 – INFORMATION RELATING TO THE FINANCIAL OR BUSINESS AFFAIRS OF ANY PARTICULAR PERSON (INCLUDING THE AUTHORITY HOLDING THAT INFORMATION))**

The Chairman presented a report of the Estates Manager (page 84 to the agenda) that advised Members that a comprehensive strategic asset review had been undertaken and any opportunities for each of the sites identified.

It was then **RESOLVED** that the programme as described in Appendix 1 of the presented report be agreed, subject to annual review and in accordance with Council Financial Procedure Rules.

(The Meeting terminated at 3.55 pm)

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Chairman

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