

South Hams Annual Report



2015 - 2016



South Hams
District Council

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Introduction

The 2015/16 financial year has been a challenging year as the organisation changes the way in which it works. South Hams District Council (SHDC) and West Devon Borough Council (WDBC) continue to work in partnership to deliver services to our communities.

During the year there has been a 30% reduction in staff providing an annual on-going saving of £5 million (across both Councils) with no services to the communities being removed. However this has meant that, combined with the introduction of a new IT system, performance in some key areas has been below that which should be expected. With the implementation of improvement plans, and a commitment to providing extra temporary resources, performance did start to recover in the last quarter (Dec 2015 to March 2016).

In early 2015 a completely new leadership team was appointed to lead the organisation through the transformation programme, become more customer-focused, save money, and explore ways of generating income for the Council. The Councils are now led by a small leadership team consisting of two Executive Directors and three Group Managers. The role of the Senior Leadership Team (SLT) is to implement the plans and policies to support the strategic direction of the Council set by Members. The Extended Leadership Team (ELT) includes the principal people managers and professional lead officers in areas such as Housing, Planning, Environmental Health, Asset Management, and Support Services such as Finance, Legal, and Human Resources.

The implementation of our T18 transformation programme, along with more flexible ways of working and a new IT system, has meant that the Council is now well placed to meet the continued financial challenges brought about by year on year reductions in Local Government funding. There is still more to be done but the Council is establishing a solid base from which to become more commercial in its approach to meeting the forecast budget gap of £1,009,835 by 2020/2021, whilst protecting its much valued services.

30%
reduction
in staff

£5m
annual saving
across both
Councils

No
services to
communities
removed



A challenging
year



New leadership
team



Meeting the
financial challenge



Commercial
approach



In recognition of the early successes of this innovative transformation programme, the Council achieved national recognition as Council of the Year for 2016 at the recent iESE (the Improvement & Efficiency Social Enterprise) Awards and a gold award in the category "Transforming Through People". In addition, the Council was a finalist in the "Workforce Transformation" category in the recent Municipal Journal Awards.

These successes are a reflection of the significant changes and progress the Council has made in designing services for the future; successes of which members and staff should be rightly proud.

The year has also seen the Council develop our strategic plan for our community. 'Our Plan' sets out eight key priorities and the practical actions that need to be taken to achieve our ambitions for our communities. In tandem, work has begun to develop a Joint Local Plan with Plymouth City, West Devon Borough Council and Dartmoor National Park. Work on this joint plan is due to be completed by early 2017; a key milestone for those wishing to progress their Neighbourhood Plans.



Steve Jordan

Steve Jordan
Executive Director
(Strategy & Commissioning)
and Head of Paid Service



John Tucker

Cllr John Tucker
Leader of the Council

Working together



South Hams
District Council



West Devon
Borough
Council



National
recognition



Our Plan



Joint
Local Plan



Neighbourhood
Plans

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Governance

In May 2015, the District Council elections were held and new Councillors elected for a four year term. The Council moved from 40 to 31 Councillors in this year.

Following the Boundary Review and the local elections, 2015/16 was the first year for the new 31 Member Council. To coincide with the reduction in Members, a new governance structure was implemented whereby all 31 Members served on one of either: the Executive; the Overview and Scrutiny Panel, or the Development Management Committee. Other notable changes were that the Executive membership was reduced from eight to six and the number of Overview and Scrutiny Panels was reduced from three to one.

With regard to the Executive portfolio areas, these were no longer linked to service areas, but were each now aligned to a representative of the Council's Senior Leadership Team.

The Council has a Governance Framework which comprises of the systems, processes, culture and values under which they operate. This is reported on annually through the Annual Governance Statement.

In addition to the controls and procedures mentioned above, the Council's primary governance documents are set out in the Constitution (for example, Contract Procedure Rules, Financial Procedure Rules and Codes of Governance). The Constitution is reviewed annually and adopted at the Annual Meeting for the forthcoming year.

A Statutory Officers' Panel, which meets quarterly, has been set up comprising of the Head of Paid Service, Chief Finance Officer, and the Monitoring Officer, with other key officers invited as appropriate. This Panel amalgamates the former Probity Group, Risk Management Group, and Governance Group, and its key roles are to ensure that the Council complies with, and manages:

- Governance frameworks
- Strategic risk management, and
- Regulatory framework

The Statutory Officers' Panel has important links with the Audit Committee, Overview and Scrutiny Panel, together with Senior Officers.

The Council has a Report Monitoring process in which all reports are checked against the principles of clarity, fairness, legality, and financial regularity and soundness.



31 Member Council



Governance Framework



Constitution annual review



Statutory Officers' Panel



Report Monitoring

Transformation



Since 2007, South Hams and West Devon have operated a shared service arrangement, initially sharing a Chief Executive, and now sharing all in-house services.

Despite the shared service arrangement already delivering an annual saving of £1.7 million, the two Councils knew they would be facing a predicted funding gap of £4.7 million over the next four years. Councillors were adamant that they did not want to cut front line services, so they embarked on an ambitious and challenging transformation programme to remodel how the Councils worked.

So, over the last two years, South Hams and West Devon have completely transformed how they work in order to deliver services that are more suited to their customers' needs. As a result of this transformation programme called T18 (Transformation by 2018), both Councils have completely remodelled their organisations, focusing on how the customer interacts from the beginning of their enquiry to its conclusion. This has enabled us to have a more flexible response to our customers.

The transformation programme is being delivered under five work streams:



Our Customers: Putting the customer at the heart of the organisation and offering them more ways to interact with their Council through the use of technology, more face to face opportunities, and offering them the option of a personal account which enables them to make service requests linked to their own individual profile on the back office system.



Our People: Restructure the organisation, including creating entirely new roles and employing people to those roles based on behaviours.



Our Accommodation: Transform how and where staff work, reducing the office space, streamlining working practices, enabling officers to work in an agile way from hot desks, and getting rid of silos.



Our Technology: Embracing the latest technology to enable Councillors and Officers to work in smarter ways, iPads instead of PCs for Councillors, one streamlined work flow system, and encouraging the use of video conferencing and virtual meetings.



Our Business: Ultimately South Hams wants to become more commercially aware to generate its own income and, in order to do this, the organisation needs to operate in an efficient structure, enabling the Council to maximize all opportunities.



Transformation programme

Flexible, responsive workforce

responsible
 communicative
 adaptable
 challenging
 co-operative
 outcome focused

impact

Our business is our customer

As part of the transformation, staff were required to demonstrate that they could carry out their work in accordance with an agreed, new behavioural framework. The framework has been designed to create, embed, and support a new culture where the staff put the customer at the heart of everything they do. We call our behavioural framework IMPACT:

responsible – We take ownership of our actions and are accountable for our performance, finding a solution to every problem, and making appropriate decisions

communicative – We express ourselves clearly, respectfully, and with enthusiasm; varying the way we communicate to ensure the message is understood

adaptable – We maintain a positive outlook; we are adaptable and show flexibility in the way we work

challenging – We are innovative, challenging the status quo to drive continuous improvement in everything we do

co-operative – We work collaboratively with colleagues and partners, building and maintaining effective working relationships with a range of people

outcome focused – We deliver timely and excellent results, focusing on quality outcomes for our customers

The assessments were carried out by external experts and were used to assess people throughout the organisation, including the Senior Leadership Team.



Employees remain accountable against the IMPACT behaviours through the performance management and staff appraisal systems, and the Council is using the IMPACT behaviours to help recruit new people into the organisation with the right technical skills and customer focused behaviours.

At the end of the financial year, the two Councils employed the equivalent of 411 people, which is a 30% reduction in staff. The turnover in the last quarter of the financial year was 2% which, after the significant loss of employees as part of the Transformation Programme, is now more stable.

At the centre of the new organisation is a group of 'Case Managers' who manage cases, which can be anything from a planning enquiry to a request for an Environmental Health water test. They take a request or task from start to finish: the customer has one point of contact throughout their enquiry. Case Managers are helped by Specialists in different fields, who can be asked for their expertise when necessary, leaving the Specialists to take on more complicated tasks.

More front line officers have also been introduced through the Localities Team; they act as customer services officers on the ground, answering face to face enquiries from residents, and sign posting to the services the Council provides. Because these new officers are often working within their communities, they are on site and available for such tasks as putting up planning notices, or inspecting playparks. This releases the Specialists who previously would have had to cut into their working day to, for example, drive to a remote part of the district to display a planning notice: now the Specialists are freed up to concentrate on cases which require their specialist knowledge.

All of the traditional, physical office spaces have been removed, including those of the very senior managers, to be replaced with bright open plan offices that encourage people to work alongside colleagues from different parts of the organisation, or to work from home or other locations where possible.

There are no physical telephones in the offices, with the majority of the communication effected through laptops. This has significantly reduced the amount of travel for officers who now use the

new technology to hold video conferences, whilst a new Travel and Subsistence Policy has encouraged officers to car share when journeys are unavoidable.

New computer systems are also being rolled out which are gradually taking pressure from the Customer Call Centre so that they can focus on customers who really need our help, while residents who can, and wish, to self-serve via the website, are able to. The Councils began to roll this out at the end of 2015 and without any promotion they have already had over 1,600 people completing tasks and service requests through our new online customer website. This is 1,600 people who would have come through the customer contact centre. There are now 450 separate tasks that customers can do for themselves through the website, including reporting a missed bin collection, requesting services from Environmental Health such as Pest Control, or viewing and paying their Council Tax bill. See [APPENDIX 1](#) for more information about the Council's transactional activity.

Due to the make-up and rural location of the population, the Customer Contact Centre has not been removed nor slim-downed.

South Hams has been recognised nationally for the work that has been done in transforming the workforce. Along with our partners, iESE, we were finalists in the People Management Awards organized by the professional body for human resources, and finalists in the prestigious Municipal Journal Awards, the leading awards event in Local Government. The Council also received an Award recognizing the cultural change in our workforce in this year's iESE Awards.

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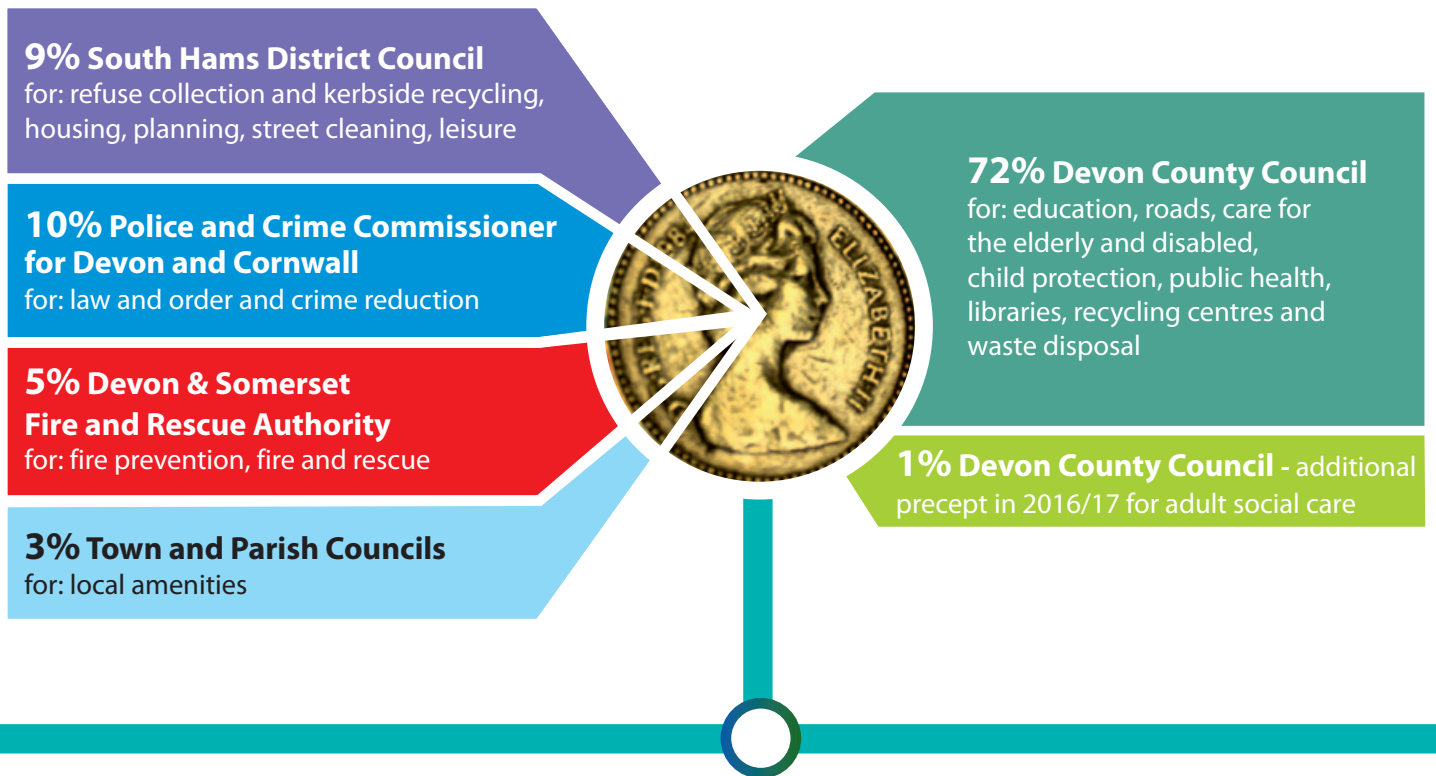
Finance

The Council's net budget is £8.75 million for 2016/17. By 2018/19 the Council will receive no Government funding and the Council will need to be self-sufficient. The withdrawal of Government funding has happened two years earlier than expected. Since 2013, the Council has seen a 40% reduction in Government funding.

Due to the continued reductions in Government Grants it means that by 2020, the Council will be facing a £1,009,835 funding gap which the Council is planning to cover through a combination of generating income through business development, ensuring maximum use of its assets, and further reduction in costs.

The Council increased Council Tax by £5 for 2016/17 to £150.42 for a Band D property. Of the money that South Hams collects in Council tax (an average Band D bill is £1,660) only 9% goes to services provided by South Hams, the rest goes to Devon County Council, the local Town or Parish Council, the Fire and Police services.

How your money is spent



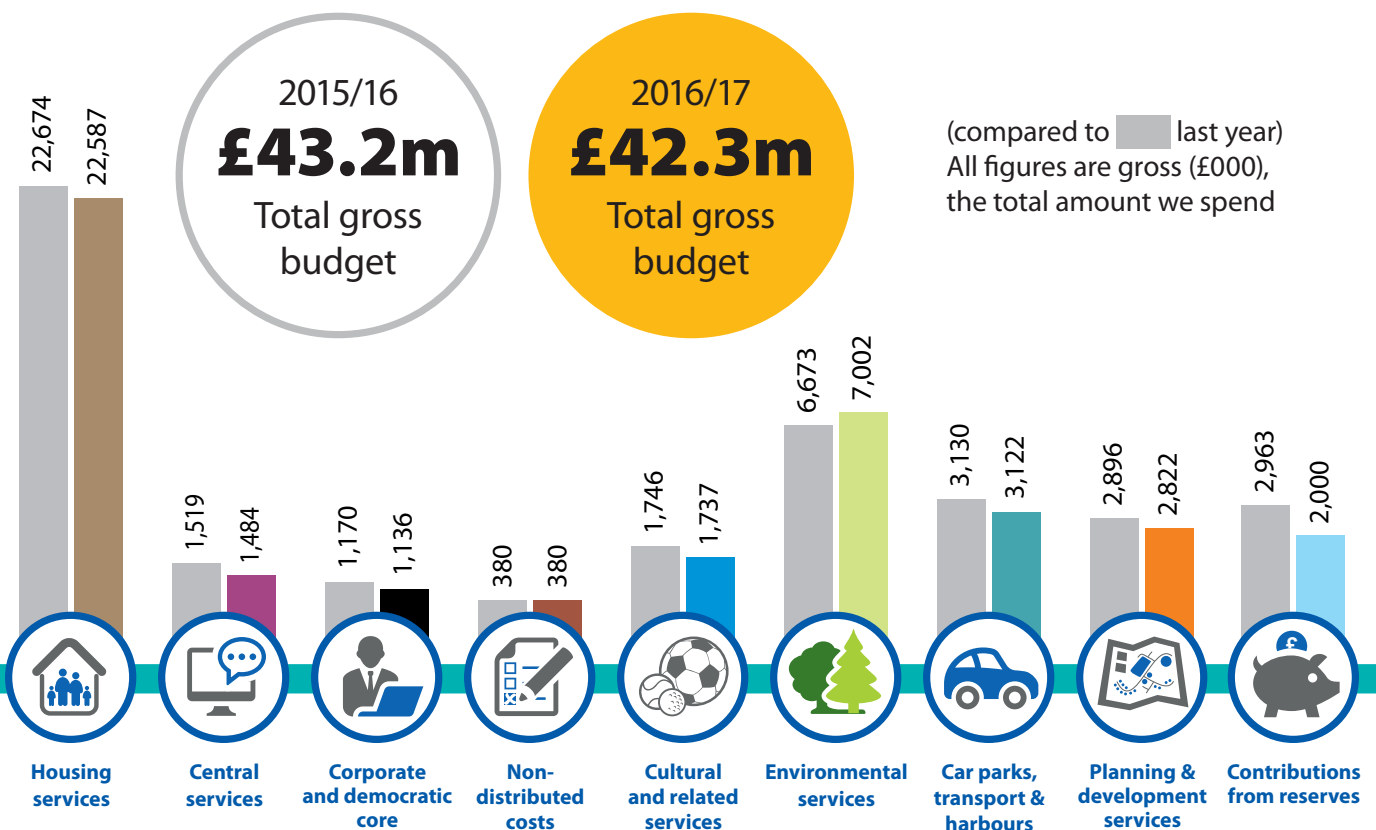


Financial performance for the year to 31st March 2016

The 2015/16 net budget for South Hams was £8.84 million but the actual spend was 0.8% lower, providing a saving of £69,000 which will go into the Council's Unearmarked Reserves, increasing them to £1.81 million. The Council's financial strategy recognises the need to maintain these reserves to provide stability for both medium and longer term financial planning and to provide a contingency against unforeseen events. Maintaining a level of reserves also protects against the volatility of some income and expenditure budgets which can be dependent on economic conditions, the weather and tourism.

The Council's gross expenditure was £43.2 million for 2015/16. Gross income for the year was £34.36 million, resulting in a net budget for 2015/16 of £8.84 million. The Council receives income from Government grants (such as rent allowances, revenue support grant and new homes bonus) and from business rates and fees and charges.

The Council's spending plans for 2015/16 and 2016/17



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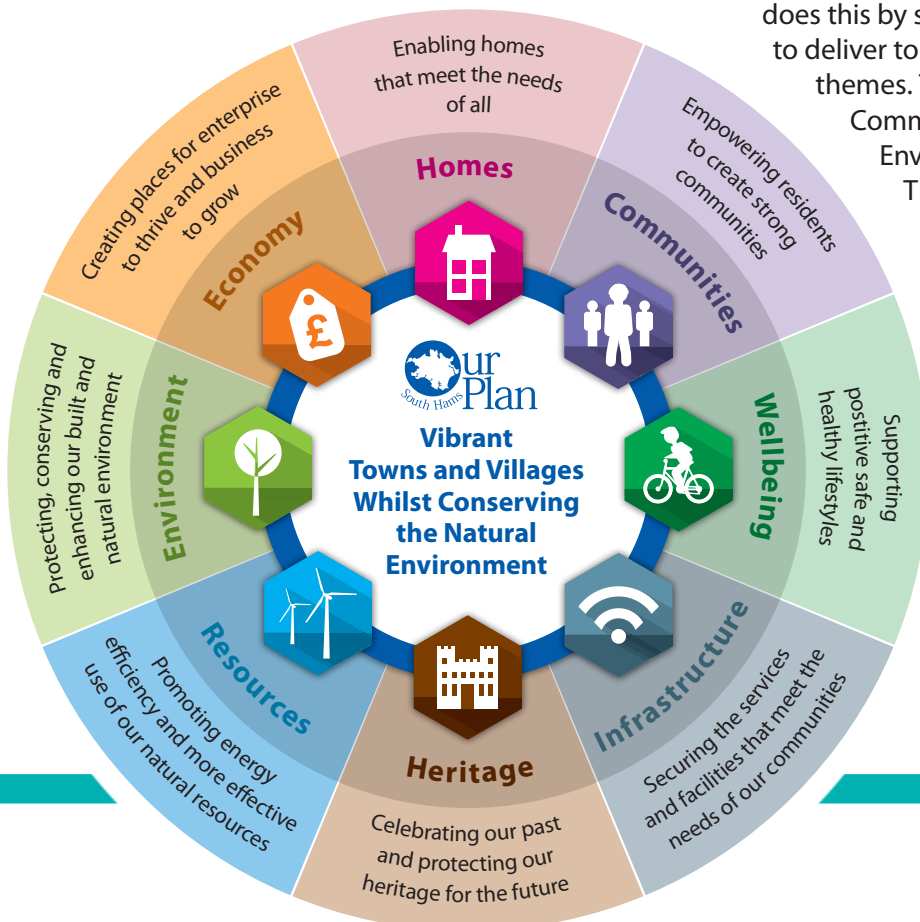
Strategies & Plans

The Council has a number of strategic documents and plans that guide its approach to achieving its vision and ensuring that it remains financially sustainable. The most impactful and important of these are: Our Plan; Joint Local Plan; Medium Term Financial Strategy (MTFS); and Asset Management Plan.



Our Plan

The Council's 'Our Plan' describes the Council's vision and its aspirations for our communities. It does this by setting out what the Council wishes to deliver to our communities under eight themes. These themes are: Homes; Economy; Communities; Wellbeing; Infrastructure; Environment; Heritage; and Resources. There is then a plethora of external policies and strategies which support the delivery of 'Our Plan' (eg Planning Policy Guidance, or Homelessness Strategy) helping the Council to deliver this vision. Underpinning these outward looking policies and strategies is a raft of internal policies and strategies to help us to deliver Our Plan (eg ITC policies, or agile working, or staff appraisals to help develop our workforce). The Council posts all of its strategies and policies, both internal and external, on its website.



Joint Local Plan

A key responsibility of the Council is to adopt a Local Plan – a plan that deals with land use and sets out policies and allocations to support and guide housing and employment development. The Council had originally intended that this work would be set out within the Council’s “Our Plan” – however as circumstances have changed the Council is now committed to producing a Joint Local Plan in partnership with Plymouth City Council and West Devon Borough Council. This will appear separately to Our Plan as the “*Plymouth and South West Devon Joint Local Plan*”. Work has commenced on this Joint Local Plan – with public consultation and submission to take place later this year.

For further details on the South Hams profile please refer to **APPENDIX 2**

Medium Term Financial Strategy

The Medium Term Financial Strategy (MTFS) looks at financial planning and management for a five year period. This helps us to develop a sustainable budget over the medium term. The

MTFS incorporates key factors such as changes in Government funding, our spending plans, and the levels of savings we need to make to keep our Council Tax at an affordable level. It also offers assurances that our spending plans are affordable over the medium term (five years).

Asset Management Plan

Our Asset Management Plan sets out the strategic direction for the Council, both as a land owner and with respect to its asset portfolio. It is essential to have a long term plan, to facilitate day to day operational decisions. The key points of the plan are:

- to commence a limited programme of residential development;
- to grow the existing commercial portfolio of small starter units;
- to facilitate community use of assets if appropriate;
- to dispose of underperforming and non-strategic assets for re-investment.

A list of the key Council assets appears in **APPENDIX 3**



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Performance

As a Council, we capture data for three main reasons: to assess the performance of our staff and the services they deliver, to provide feedback on our actions, and to guide decision making which will help us deliver our strategy. If we don't measure our performance we can't see whether we are making progress towards our goals.

The development of 'Our Plan' will become the strategy that all our measures will feed into, providing a structure so our staff can see how the work they do fits into the Council's goals, and how they can contribute to improving the life of our residents.

It is acknowledged that as we have progressed through the transformation programme, and with the reduction in staff numbers, we have not always performed as well as we would have liked in some service areas but this is only a temporary dip in performance. Plans are already in place to address this.

Strong management of performance is vital to the success of any organisation, ensuring that customers are satisfied. Whilst everyone must accept responsibility for managing performance, the Council's SLT is committed to driving performance forward so that a high standard of service delivery can be achieved across all services.

Performance across the Council is monitored monthly by the SLT and quarterly by the Overview and Scrutiny Panel. The SLT also provides a forum to raise any concerns over general performance issues so that early interventions can be put in place as necessary.

In addition, the Council has developed a new staff performance appraisal system called WorkPAL which enables staff to evidence their contribution to the IMPACT behaviours, to identify training needs, and to ascertain how staff contribute more widely to the Council's key strategic priorities.

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WorkPAL

Achievements during 2015/16

The Council has achieved national recognition as Council of the Year for 2016 at the recent iESE Awards and a gold award in the category *"Transforming Through People"*. In addition, the Council was a finalist in the *"Workforce Transformation"* category in the recent Municipal Journal Awards and finalists in the People Management Awards organized by the professional body for human resources. The Council also received an Award recognizing the cultural change in our workforce in this year's iESE Awards.

The Council has now created an Invest to Earn Innovation Fund, from existing reserves and surpluses, in order to fund income generation initiatives that aim to deliver recurrent income streams for the respective Councils, reducing the forecast deficits.

After a detailed audit of the Council's systems and processes, the External Auditors reported that they were satisfied that in all significant respects the Council has put in place proper arrangements and have therefore been judged as providing value for money.

Channel Shift 2015/16

The Council would like to be digital by choice, and are currently putting more and more processes on-line so that customers can self-serve at a time and place that suits them. To facilitate this a new service called 'My Account' has been introduced, an online portal, which will enable customers to track the progress of service request they make.

There have also been improvements to the Duty Planning service with the introduction of booked appointments which is working well and has been well received.



Invest to Earn
Innovation Fund



Channel
Shift

Localities Officers

A team of nine officers was established in June 2015. The impact of more officers on the ground has been noticeable - resulting in quicker turnaround times to remedy local issues.

Highlighted below are examples of actions delivered by this new team of front line officers:

- Undertaken over 1,200 play park inspections
- Affixed over 1,600 planning notices
- Dealt with over 120 abandoned vehicles
- Dealt with over 200 fly tips
- Read over 1,100 utility meters
- Made over 5,700 asset checks on Council owned land and property
- Delivered over 3,500 household election forms
- Checked over 450 empty homes for Council Tax purposes
- Attended over 220 community events engaging with 2,400 residents

Better Regulation

The Council is working with a regional Better Business for All (BBfA) group, that includes partner regulatory agencies and local business, with a view to improving regulation and having a positive impact on the local economy. Work areas include improving communication and our regulatory approach (working with business) and identifying areas of expertise that business would be prepared to pay for.

The team made a successful acquisition of a site in Kingsbridge, called Rope Walk, which is "the missing piece of the jigsaw" within the allocated development site. This will form part of the master plan for redevelopment, which will be the largest single residential and commercial development undertaken by SHDC for many years, possibly ever.

Work to procure the construction of commercial units at five sites across SHDC and WDBC has commenced. This will provide a delivery programme over the next few years, to meet our strategy of expansion in this sector, increase the employment opportunities for small businesses as well as improving current revenue streams.

Alongside the development work, Assets have maintained an occupancy rate above 90% across the employment estate, providing a net revenue stream in excess of £1.3 million.



Risk Management



Over the past year, officers have implemented a new method of recording and managing risks within the organisation, with the aim of helping all levels of the organisation to understand the risks and what is expected of individuals to deal with these risks.

Risks are logged in a central information repository, where officers can pro-actively log, view and update the information held. For each risk, the uncertainties are identified, along with the consequences and strategic impacts that would result from the risk. The causes of uncertainty are listed and then mitigating actions / internal controls planned, or being taken, are logged. Each risk is then scored, based on the impact and likelihood of that risk as at the time of logging, and an estimate is made of the risk score once the internal controls / mitigating actions have taken place. Due to the shared service model, a single consolidated risk log is maintained covering both SHDC and WDBC.

On a monthly basis, the SLT review the corporate risk log and updates are reported to Elected Members via the Audit Committee on a bi-annual basis. Members have the opportunity to raise concerns with the mitigating actions being taken by officers and can suggest new risks for consideration.

APPENDIX 4 shows the latest SHDC / WDBC corporate risk register.

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Central information
repository

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Audit Assurance & Annual Auditors' Report

Audit provides an Independent Assessment of the performance of an organisation.

The Council's Audit Committee meets five times a year and its role is to:-

- Keep under review the operation of the Council's financial and information systems;
- Oversee the stewardship of the Council's resources;
- Monitor internal and external audit performance and risk management systems, and consider the reports from the Council's Internal Auditors and External Auditors;
- Keep under review and ensure compliance with those codes of practice and policies which relate to the Council's financial administration.

External Auditors – This is an external firm appointed by the Audit Commission. Grant Thornton were the Council's External Auditors up until the 2014/15 financial year and KPMG have been appointed as the External Auditors from the 2015/16 financial year.

They provide an opinion on the accuracy of the Council's Accounts and whether they present a true and fair view of the financial position, expenditure, and income for the year. They also report on whether the Accounts have been properly prepared in accordance with the Chartered Institute of Public Finance and Accounts (CIPFA) Code of Practice on Local Authority Accounting.

The External Auditors also reach a formal conclusion annually on whether the Council has put in place proper arrangements to secure economy, efficiency, and effectiveness in its use of resources (the Value for Money conclusion).

Value for Money audit conclusion –

The External Auditors reported that they were satisfied that in all significant respects the Council has put in place proper arrangements to secure economy, efficiency, and effectiveness in its use of resources for the year ending 31 March 2015. The report gave the Council a 'Green' rating (the highest rating possible, which indicated adequate arrangements are in place) in all the areas assessed for strategic financial planning, financial control, financial governance, prioritising resources, and improving efficiency and productivity.

AUDIT ASSURANCE

The Audit assurance is provided from both the Council's Internal Auditors and the Council's External Auditors. Below is the role that each performs:-

Internal Auditors –

This service is managed by the Devon Audit Partnership who oversee an in-house team of two members of staff. The role of the Internal Audit service has evolved into an assurance and consulting activity focussed on risk management, control, and governance processes.



Next Steps



Local Authority Controlled Company

The Council is considering the establishment of a company which would be wholly owned by the two Councils, to deliver the full range of Council services. In doing so, it is anticipated that this would create an opportunity to sell these services to other organisations to generate income. The company would have a twofold relationship with the two Councils:

- ◆ As a provider of services to the Councils, controlled by a contractual relationship;
- ◆ As a wholly owned asset of the Councils, controlled through the shareholders' agreement and the associated governance structures.

T18

To continue embedding the IMPACT behaviours and attitudes to ensure T18 continues to progress and a new and innovative way of working is created. This, in and of itself, will create revenue as the Council will be ideally placed not only to weather the increasing financial constraints placed upon it but also will be ideally suited to offer those services to other Councils who are not as ably prepared.

Developing our Assets

South Hams currently runs its commercial property portfolio to generate a revenue stream. In accordance with its recently updated Asset Management Strategy, the Council has agreed to increase the portfolio size over time, by developing sites in Council ownership.

The Council is actively pursuing this strategy in order to increase its asset utilisation, seek efficiencies, and generate recurrent income streams. A number of projects have been instigated and will begin to deliver significant benefits in the coming years.

Channel shift in 2016/17

For the coming year, we will continue with a greater emphasis on 'digital by choice' with nearly all processes available to be completed online via any interface. A revamp of the Council's website will enable customers to find it easier to locate the information they require, or to perform any task. Key high volume services (eg Council Tax account or Housing Benefit applications) will be available online, offering customers easy access to the information they need, and therefore reducing the need to contact us over the phone. However, if they do wish to contact us by phone, a new contact centre phone system, which includes the ability to offer customers webchat, will be live later this year. The system will enable the Council to provide a more responsive and adaptable service to our customers.



Devolution

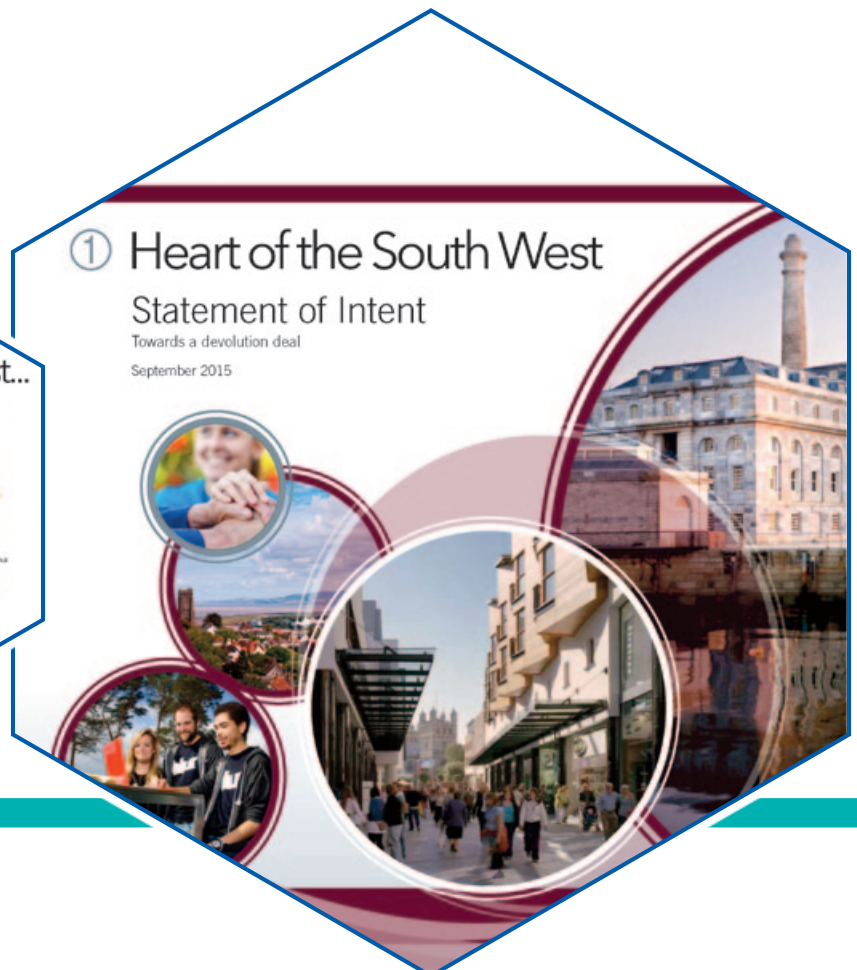
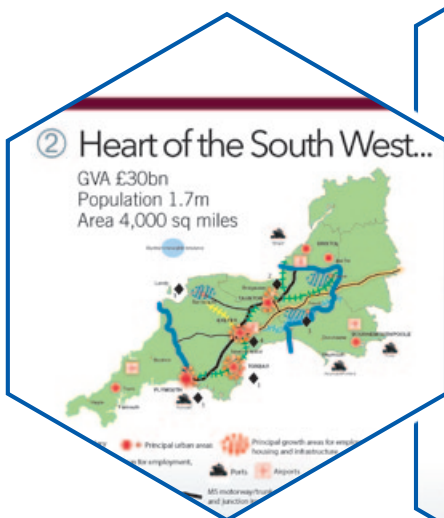
The Council plays an active part in the Heart of the South West Local Enterprise Partnership (LEP) devolution project. In September 2015 the Heart of the South West (HotSW) submitted its devolution Statement of Intent to Government. After considerable further work during Autumn 2015, the partners – 17 local authorities, two National Parks, the Local Enterprise Partnership and the three Clinical Commissioning Groups – are now in a position to commence detailed negotiations with Government on a devolution deal. Our approach to delivering this transformation focuses on a comprehensive Productivity Plan:

◆ **For People** - We will build on Government's own national reconfiguration of the skills system to supply business with the skills it needs and a labour market able to deliver productivity per job and per hour at 'Greater South East' levels (ie outside Inner London). Our plans for health and care integration will support a significant proportion of our non-working population into work.

◆ **For Business** - The HotSW's economic transformational golden opportunities were identified and agreed in their Strategic Economic Plan, March 2014. This is due to be refreshed, and through devolution, specific policies and initiatives will be formulated to realise these opportunities. Following closure of the national Business Growth Service in March 2016, the partnership's Growth Hub now supports business growth and internationalisation for local business.

◆ **For Place** - We will provide the infrastructure and housing required and make the Heart of the South West investment ready.

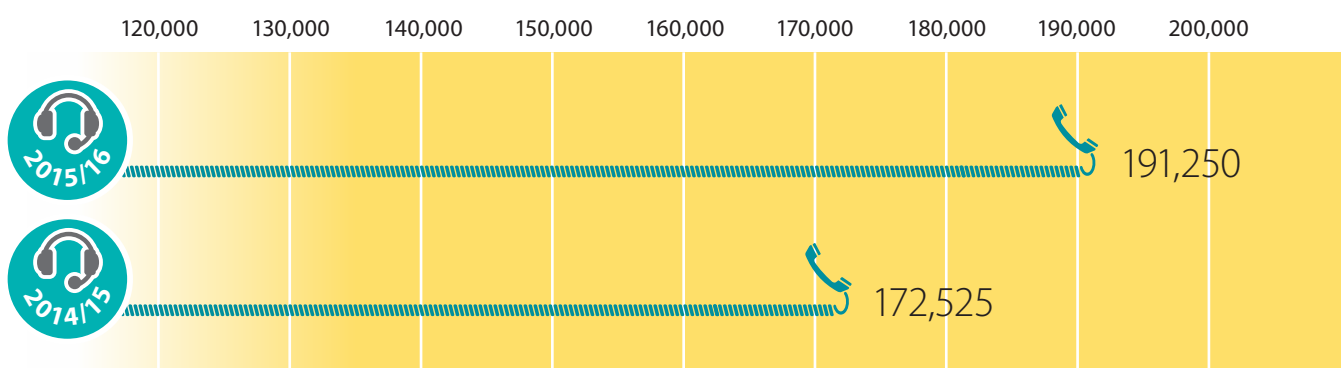
The financial year 2015/16 has seen significant change both in the way the Council is funded and the way in which its services are delivered but the significant Transformation Programme (T18), which the Council is pursuing, will give the best possible foundation from which to meet future challenges facing Local Government and maintain those services which are much needed and appreciated by our communities.



Appendices

Appendix 1 - The Council's transactional activity

The total volume of calls for South Hams for 2015/2016



Households where homelessness was prevented in 2015/16	206
Households rehoused through the housing register (Devon Home Choice) in 2015/16	243
% of billed council tax collected in 2015/16	98.17%
£ of council Tax collected in 2015/16 (9% goes to services provided by South Hams)	£59,031,690.86
Number of households billed in 2015/16	43,483
% of billed NNDR collected in 2015/16	98.18%
£ of NNDR Collected in 2015/16	£31,307,925.47
Number of businesses billed in 2015/16	5,416
Average days to process new claims for housing benefit in 2015/16	29.9 days

Appendix 2 - Local Authority Profile

Profile of local area

Area	906 sq km
Population (2015 Devon County Council)	84,600
Households (July 2013)	43,483
Dartmoor National Park (DNP)	19% of South Hams in DNP
Sites of Special Scientific Interest (SSSI)	27
Areas of Outstanding Natural Beauty (AONB)	South Devon AONB Tamar Valley AONB
Land use	92% greenspace
Main towns	Totnes Dartmouth Ivybridge Kingsbridge
Sparsity	Rural-80: districts with at least 80 percent of their population in rural settlements and larger market towns
Mean average annual earnings by place of work <i>(Annual Survey of Hours and Earnings 2013)</i>	£19,429
Employment rate – working age population 16-64 (Jan – Dec 15) <i>(nomisweb)</i>	71.3%
Total JSA claimants - November 2015 <i>(nomisweb)</i>	290
% JSA claimants - November 2015 <i>(nomisweb)</i>	0.6%
Average property price - Quarter 1 2016 <i>(CLG live table 581)</i>	£327,942
Lower quartile average property price - Quarter 1 2016 (most recent) <i>(CLG live tables)</i>	£188,000
Ratio lower quartile house prices to lower quartile earnings - 2015 <i>(CLG live tables)</i>	10.66x earnings

Number on Housing Register <i>(Bands A –D, April 2016)</i>	1,068
Number of affordable homes delivered 2015/16	60
Reduction in number of long term empty homes in 2015/16	73
Number of remaining long term empty homes	246
Number of Disabled Facilities Grants administered by the Council 2015/16	143
Total number of planning applications determined 2015/16	2,490
Number of benefits claims 2015/16	4,810
Percentage of household waste sent for reuse, recycling and composting 2015/16	52%

Profile of local authority

Number of Members	31 Members
Political structure	Executive
Political composition	Conservative - 25 Green - 3 Liberal Democrat - 2 Vacancy - 1
Average Council Tax Band D (2016/17)	£1,660.73
Wards	20 wards
Parishes	61 parishes
Number of Full Time Equivalent Staff (employed by South Hams April 2016)	330

Profile of financial information

Net revenue budget 2016/17	£8.75 million
Actual revenue spend 2015/16	£8.77 million

Source: 2016/17 Budget reports

Appendix 3 - Key Council Assets

Salcombe –
Batson Creek
and Fish Quay

Salcombe –
North and
South Sands
beaches

All the Leisure
Centres

Kingsbridge
Quay Car Park

Steamer Quay
and Central
area Car Parks,
Totnes

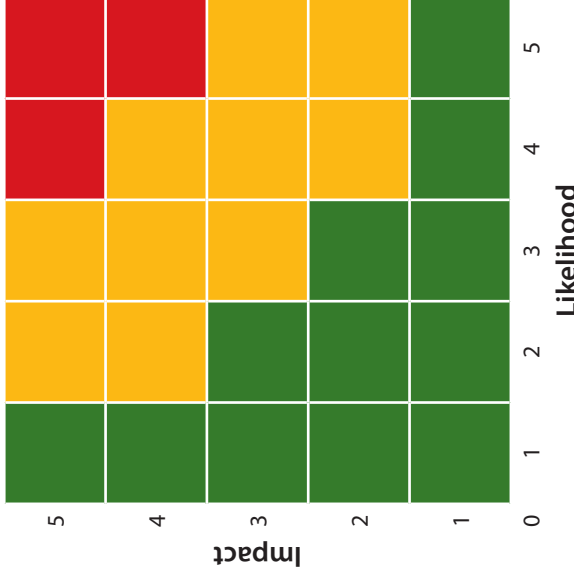
300+
employment
units

Dartmouth –
Mayors Avenue
Gardens and
Coronation Park



Appendix 4 - Risk Register

Likelihood		Impact	
1	Unlikely to occur under normal circumstances	1	Very low impact to delivery
2	Potential to occur however likelihood remain low	2	Minor impact to service delivery with potential for some financial / reputational implications
3	Likely to occur	3	Impact on service delivery and financial / or reputational implications
4	Most likely to occur	4	High impact on service delivery resulting in services / resources being unavailable for a long period
5	Almost certainly will occur	5	Severe impact on service delivery resulting in closure of some services / ceasing of project and / or significant financial and/or reputational implications



Monitor	These risks have low impact and/or low likelihood of occurring. Have a plan to prevent them escalating but only light touch monitoring required
Manage	These risks need to be managed to prevent them causing an impact on the business or project. Clear plans with owners need to be in place and they should be managed by the project team or service leads on a regular basis
Escalate	These risks can have a significant impact on the business or project and must be managed by the project board or service management team. Mitigations must be in place and managed to ensure that the risk is not realised or can be controlled

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1	Encouraging communities to thrive	Delivery of local plan (inc. 5 Year Land Supply in South Hams)	Risk of speculative development without a 5 year land supply in South Hams, following Riverside ruling. Risk of designation in relation to Development & local plan across both councils.	Lack of detail / contingency around 5 year land supply until the Plymouth joint local plan is completed. Work has commenced.	3	4	Mitigate	Work underway to agree joint strategic working plan between Plymouth, South Hams and West Devon to ensure land supply across the three areas is sufficient. Collaboration agreement due to be signed by April 2016	2	2	4	Agreement by three Councils; plans and joint team in place, with recruitment where required due soon

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2	Financial Sustainability	Adherence to Medium Term Financial Strategy (MTFS), due to changes in Government Policy and/ or Income Streams	Failure to sustain a robust on-going financial strategy with adequate reserves to meet unforeseen circumstances, due to cost pressures and missed income targets, changes in Government policy with regard to business rates and affordable housing; Potential impact on delivering the MTFS, particularly if national/regional businesses successfully appeal against business rate valuations	Reduction in Government grant, increasing demand for services and other cost pressures and increased risks associated with localised business rates and council tax support. Additionally, income from activities may not materialise or may be reduced, e.g. business rate appeals or a reduction in the commercial property market. The amount of income received can be adversely affected by a fall in collection rates due to economic downturn and other factors such as the bankruptcy/liquidation of large ratepayers or any sizeable rateable value reductions achieved by business rated properties in the area. Reclassification of waste classes by the Environment Agency could see items becoming recoverable rather than recyclable material, e.g. leaf sweeping could reduce recycling rate by about 5% in West Devon and 1% in South Hams. It is as yet unknown if and when such changes may take place.	3	4	12	Mitigate	Robust horizon scanning to monitor changes in Government policy. SLT awareness of the risks, cautious approach to budgeting and robust systems of financial control. The Council are not intending to rely heavily on sources of income which may not be sustainable. SLT actively participate in Government consultations, MP discussions and keep aware of changes and the response by peer group, ensuring where appropriate the learning from this is incorporated into strategic plans. SLT have been engaged in the development of the medium term financial strategy in the context of the Transformation Programme. Latest budget reports approved by both Councils in February 2016 after member workshops in October 2015 and result of Government Finance Settlement communicated. The possible effects of a fall in NNDR income are mitigated in WDBC by the Councils membership of the Devon wide pooling scheme, which significantly reduces the risk to income volatility. SHDC do not participate in the pool due to uncertainty surrounding outstanding business rate appeals.	2	3	6	SLT to keep watching brief over Government changes in policy and to proposals to alter funding - strategically amending the MTFS and local plans to adapt to changes. Officers to develop income generation response as part of MTFS; 'invest to earn' budgets allocated to seed fund income initiatives. Report to both Councils in March/April set out asset strategy, housing options and income generation principles.
3	Financial Sustainability	Implementation of LACC	Capacity impact on staff and BAU delivery; timescale of delivery may slip; Due diligence before LACC set-up may not be complete; Business case may not evidence a discernible market for the proposed company	Business case and implementation plan are yet to be produced; next milestone is completion of these items and a series of member workshops leading to Council decision on whether to proceed with implementation. At this stage it is difficult to predict impact upon organisation	3	4	12	Mitigate	Procurement underway to employ services of experienced external consultants to prepare business case and implementation plan. This will help determine the validity of the business proposition and help SLT and Members the appropriate timescale for delivery and impact on capacity (along with any necessary mitigations)	2	3	6	Procurement is live; contract awarded during March 2016

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4	Financial Sustainability	Strategic Leisure Review	Risk that the Councils may not end up receiving a bid that meets its requirements; Capital demands from bidders may exceed available reserves, which could restrict ability to deliver other programmes	Future cost of service may increase in both capital and revenue terms in view of aging assets and potential competition to Meadowlands	3	4	12	Mitigate	Detailed procurement process and constant monitoring; wide review team of officers; budget set and highlighted as part of tender process	2	3	6	Procurement process ongoing; competitive bids received within certain tolerances
5	Provision of quality services	Adherence to Council policies & processes and Government guidelines	Failure to manage/enforce s106 conditions. Ombudsman complaints could lead to finding of maladministration due to management of issues, e.g. poor record keeping; time to resolve issues or meet imposed timelines; reputational damage. Failure to meet current and changing needs of customers and to manage customer feedback. There is a risk of failure to respond to changes and to recognise external influences such as changes in government policy; Risks of losing JRs, appeals and Ombudsman rulings	T18 programme rollout has seen service levels reduce and customer perception affected for certain services	3	4	12	Mitigate	Plan to measure customer satisfaction during 16/17. Increased customer engagement; review of complaints policy underway to ensure organisations learn lessons from prior failures / compliments	2	3	6	Complete review of customer complaint process and embed new process within organisation

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6	Provision of quality services	Business Continuity	Officers fail to develop robust processes to ensure business continuity in the event of a significant event occurring, e.g. Failure to ensure the continuous availability of critical IT systems	Following the event, how quickly will certain systems and processes be able to be back on-line	4	3	12	Mitigate	Agile working reduces reliance on two main office buildings. Locality workers can be despatched more easily to ensure customer engagement can be maintained during any incident. Business Continuity plans have been updated <ul style="list-style-type: none"> ● priority areas ● ICT Networking ● Payroll & Creditors Payments 	1	2	2	Annual work programme to address critical areas. A Business Continuity Plan for the ICT. On-going review of the Business Continuity/ Disaster Recovery arrangements.
7	Provision of quality services	Potential for late filing of accounts	There is a requirement that closedown of 16/17 accounts be brought forward 4 weeks to end of May 2017. The risk is that resourcing within the finance cop and delayed process improvement prevents closedown by the government deadline	Whether the new timetable is achievable for the existing team.	3	4	12	Mitigate	Consider resourcing plans, review processes and commence year end processes early, trial run of 4 week early closedown to be held for 15/16 closedown	2	4	8	Mitigation in place. Team working to reduced timetable for 2015/16 closure and additional resource (deputy s151 officer recruited)
8	Provision of quality services	WD Waste Procurement	If LACC does not progress then timeline to procure new provider may exceed time available before existing contract ends and therefore existing provider contract will need to be extended	Future cost of service may increase in both capital and revenue terms in view of aging assets during extension period. Service received during transition / notice period may deteriorate.	3	4	12	Mitigate	Existing contract management / monitoring in place. Detailed procurement process including specification ; wide review team of officers/members; budget will be set and highlighted as part of tender process if required	2	3	6	Procurement process for LACC business case & implementation plan underway. Specification and pre-procurement process for waste also being run simultaneously.

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9	Provision of quality services	Data Protection	Failure to control the appropriate use of data and unauthorised Access.	To manage the risk of non compliance with Cabinet Office PSN CoCo, PCI DSS, Data Protection Act, RIPA, Human Rights Act.	2	5	10	Mitigate	Information Security Policy: All employees responsible for adequacy of data security arrangements within their control. Access to electronic data is only available via council managed devices. Look out for advice from the Information Commissioners office. Compliance with relevant PSN CoCo through implementation of security changes required. All staff will be completing a data protection awareness course in the near future via the Council's new eLearning tool.	2	3	6	eLearning tool being rolled out as part of new performance management system during 16/17
10	Provision of quality services	Emergency Response, e.g. Coastal Erosion / Storm Damage / Flooding	There is high public expectation in relation to supporting communities during coastal erosion/ storm damage/ flooding events, as well as engagement in longer term recovery, in particular assumptions about capital investment to restore assets. The risk relates to how best to support dispersed communities, e.g. with filling, transporting and laying sandbags as well as providing workforce on site, given limited resources and expectations during an event.	Following the event, the expectation that coastal defences and asset repairs will be urgently undertaken despite competing claims on capital resources	3	3	9	Mitigate	Continued management and officer focus on this area to ensure risk is minimised as much as possible; continued close engagement work with DCC and Environment Agency to ensure all parties are aware of each others responsibilities and capacity	3	3	9	Processes have stood up to recent storm damage

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11	Financial Sustainability	Inadequate asset maintenance	Failure to maintain all Council owned assets and buildings.	To manage the health and safety risks of customers and staff and to ensure budgets are managed effectively to maintain assets to a satisfactory standard, To consider and manage the risk of redundant properties / assets.	2	4	8	Mitigate	Effective budget monitoring, sound management of assets/buildings including a planned maintenance approach along with planned capital expenditure programme. Risk assessments and regular health and safety inspections.	1	3	3	HR proposal for dedicated resource, coupled with Asset COP proposal to appoint a consultant to write the initial long-term maintenance plan, will assist with the risk in respect of the maintenance of all Council assets.
12	Financial Sustainability	T18 Benefits Not Delivered	Failure to deliver sustained benefits from the T18 Programme; Risk of new systems not being fit for purpose during transfer and then for BAU; Capacity risk post March 2016 when budget runs out for temporary staff	Poorly executed delivery could affect quality of customer service; timescales to complete routine tasks and an increase in complaints. Staff moral and reputation can be affected.	2	4	8	Mitigate	Regular SLT and member scrutiny over T18 roll-out; T18 programme being managed closely; currently within budget. Quarterly monitoring reports to Members.	2	3	6	Continued management focus on programme delivery
13	Provision of quality services	Corporate Governance	Failure to maintain effective Corporate Governance arrangements.	To maintain effective Member standards and develop new Council Constitution. To continue to raise awareness of the risk of fraud and the implications of the Bribery Act 2010. To ensure that there is on-going review and self assessment of the effectiveness of governance arrangements within the Council	2	4	8	Mitigate	Promotion of necessary policies via staff intranet. Reviewed and implemented new Council constitution. To provide necessary Annual governance self assessment review by both ELT and SLT. Audit Committee established with wider terms of reference. External reviews including the Council's external auditors. Appropriate committee monitoring. Service based risk assessments and action plans, with a particular focus on high risk service activity	1	3	3	n/a

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14	Provision of quality services	Health & Safety	Failure to manage the health, safety and welfare of the public, visitors and staff. Key consideration in relation to number of external frontline staff, including lone workers.	High impact on service delivery resulting in resources / services being unavailable for long periods	2	4	8	Mitigate	Safe working environment, policies and procedures, e.g. fire safety policy, travel at work policy, IIP, PDRs. Revised sickness absence policy, health and other wellbeing initiatives. Awareness of appropriate legislation e.g. Corporate Manslaughter Act, Equalities Act. Up-to-date corporate Health & Safety Policy/procedures	1	3	3	Review as required
15	Provision of quality services	Inadequate Staffing Resources	Failure to have sufficient staffing arrangements. Loss of staff morale, and inadequate resources for training and reskilling in an ongoing period of change. Failure to engage staff resulting in uncertainty regarding changes in working practices and job security. Particular risk in relation to future terms and conditions. Cost and time of retraining/up-skilling staff. Unrealistic expectations in relation to staffing capacity.	Performance being reviewed to understand whether resourcing levels are correct; difficult to assess accurately as organisation continues to experience change effects and processes being embedded / roll-out of new technology and working practices	2	4	8	Mitigate	Review of staffing arrangements and GAP analysis is planned for 16/17. New performance management system being introduced linked to recruitment IMPACT behaviours; staff will continue to be set SMART objectives and be regularly appraised to give early warnings if issues. Staff forum to be reintroduced; continued SLT engagement with unions and regular staff comms sessions held. Other comms media under review and several improvements made. Staff satisfaction survey planned for 16/17.	1	4	4	Review of staffing arrangements and GAP analysis is planned for 16/17.

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16	Provision of quality services	Political commitment	On-going political commitment to ensure that the local plan and BAU is delivered in the context of major external change and the inevitable challenges that will emerge as a result	Considerable external change with devolution and Governmental funding cuts; leading to uncertainty within the South West and beyond.	2	4	8	Mitigate	Ongoing liaison with Members to maintain shared vision. Managing interest from potential partners in terms of securing critical project timescales and taking account of organisational capacity. Raise awareness of the scale of organisational change and the impact on existing arrangements for both Members and Staff. Ensure that the new model delivers and retains separate Council identities.	1	4	4	Continued liaison with members to alleviate this risk
17	Provision of quality services	Safeguarding	Council and/ or contractors fail to adhere to meet safeguarding obligations as set out in legislation such as Children Act 2004 section 11.	Do staff, members and contractors know what is required and how to react?	2	4	8	Mitigate	Policies in place and key staff & management have received appropriate training and contact details to spot and report safeguarding issues	1	4	4	n/a
18	Provision of quality services	SH Waste Round Review	Risk of reputational issue to the Council if the project fails to run to project timeframe and deliverables. Risk to identified efficiency savings if project not run on time. Failure to manage customer enquiry and feedback in a timely manner could also affect reputation.	Amount of customer contact. External factors.	2	4	8	Mitigate	Project group are meeting weekly and the operational plan is supported by a communications plan. Additional staff are included in the customer contact/ case management plan.	2	4	4	n/a



South Hams
District Council

