

**West Devon Budget Setting Workshop – 20<sup>th</sup> October 2015**

The Executive Director (Strategy & Commissioning), Steve Jordan facilitated the session and spoke about the Medium Term Financial Strategy, the potential effects of devolution and the need for income generation to meet the predicted budget pressures. A key message was that despite the successful ongoing implementation of the T18 Transformation Programme, the Council still needs to make decisions and changes in order to be fully self-sufficient and financially sustainable.

The Finance Community of Practice Lead, Lisa Buckle then shared a presentation about the forecast gap between income and expenditure as a result of reduced Central Government funded Revenue Support Grant and the possible financial effects of the Government's Spending Review (2015).

Steve Jordan also shared a presentation about the Business Development / Income Generation agenda and the introduction of the refreshed Asset Management Strategy.

**Feedback from Strategic Priorities – Workshop session (1)**

After a brief discussion around the Strategic Priorities set out in “Our Plan” – an interactive session was held, where the Members in attendance split into groups to look at the strategic priorities and to list the top three principles/objectives or areas which they would like to see taken forward in the Budget process for future years (mainly looking longer term at years 2017/18 onwards (Year 2 of the MTF)).

The exercise yielded a number of outputs. These priorities / principles have been categorised into broad strategic areas as shown below:

**Develop the Economy** – Infrastructure is key – Develop and maintain business growth. Need to develop short, medium and long term plans. The Economy needs good infrastructure. If you get the plan right, other things will follow e.g. generate employment. It is not just about roads but more about social infrastructure such as doctors, leisure, schools, shops, pubs, transport etc. Need to take into account that 45% of WDBC is in the National Park. Look at neighbouring economies e.g. Saltash, Launceston, more light weighted industrial buildings. Develop the wider Borough e.g. good examples are Ambrosia and Haulage. There could be a lack of available land for industrial development and to build affordable housing (Compulsory Purchase Orders?).

**Community** – Community encompasses Economy and Housing. Need to provide more self-help and the availability of funding to Parishes to provide services.

**Housing/Homes** – Housing Developments in the communities rather than Tavistock and Okehampton. Plan it to build own house to rent/sell. Strategy around Housing. Develop higher end housing to attract individuals.

**Planning policy** – Review of some of the West Devon planning policies to allow more flexibility with regard to new developments especially concerning what constitutes “open countryside” or whether or not a proposal is within an existing boundary.

**Business** – Establish the best business fit for two different towns e.g. logistics, distribution access in Okehampton (utilising the A30).

**Tourism** – Develop tourism.

**Education** – Partnership in educational providers.

**Parish Survey** – Survey the Parishes to find out exactly what parish owned land is available – Need to keep more in the community (young people need affordable low cost housing).

**Young People** – Set policies to encourage young people to live/work in West Devon.

**Trading company** - Set up a trading company

**Information Gathering** – Gather information and intelligence around our front-line operational services. These are the eyes ‘n’ ears and hands. Managing demand.

### **Feedback from Strategic Priorities - Workshop session (2)**

The final interactive session enabled the same groups of Members to set some principles/proposals which they would like the Hub Committee to consider as part of the 2016/17 Budget Setting Process (Year 1 of the Medium Term Financial Strategy). There was some significant correlation between the responses.

**Increase Council Tax by the maximum allowable percentage** – Whilst nobody wants to raise council tax, Members’ views were that it was essential to raise council tax by the permitted maximum. This measure would increase the base budget for ensuing years and protect the delivery of services and the Council’s financial resilience.

**Businesses** – Investment to encourage new businesses e.g. business rate relief policy. Invest in intelligence about what businesses we have, what units do they need – collect information to inform decisions. E.g. In Princetown there are commercial properties shutting down e.g. cafes. Need to ask the Hub Committee for a fighting fund for Princetown. Achieve greater co-operation between ourselves, the National Park, the Duchy and the County through partnership working. There needs to be a co-ordinated strategy about Princetown and a wider strategy about all businesses in the National Park.

**Residential** - Encourage residential above shops.

**Website and on-line services** –Invest in improving our website and on-line services.

**Surplus in 2016/17 and New Homes Bonus uncommitted amount in 2016/17** – Members noted that the surplus predicted in 2016/17 of £571,000 and the New Homes Bonus uncommitted amount of £317,000 totalled just under £900,000. There were various ideas about how these surpluses should be reinvested such as:-

- i) Explore the option of paying off some of the prudential borrowing (loan) on the Kilworthy Park building, thereby saving on the interest payments (*The S151 Officer advised that the option of repaying some of the borrowing or rescheduling the £2.1 million debt is annually reviewed by the Council's treasury management advisors, Sector. Their advice is due to the early redemption payment payable and due to current gilt prices, this is not financially advantageous at the moment but this will be annually reviewed. The Council currently pays interest of £97,000 a year on the £2.1 million borrowing*).
- ii) There is currently a capital programme budget for Housing of £0.55 million. If repaying some of the borrowing on the Kilworthy Park building is not an option, Members would like to see development properties purchased for re-sale (trading arm). Build new houses.
- iii) Income generation - Hold the money in a reserve to invest in and fund future income generation opportunities (this could be through the trading company).
- iv) Invest the surplus in property and not literally keeping the money in the bank account. This is so as to ensure that the capital value increases. For example short term investment in industrial or residential in the Borough.
- v) Reduce the reliance on New Homes Bonus which is anticipated to start falling away.
- vi) Transformation Programme (T18) - Short term injection of additional investment into some services e.g. the planning service, to clear temporary service backlogs. Hold money in a reserve for contingencies.

**Fees and Charges** – Ongoing review of existing fees and charges, in particular car parking. The Council generates around £860,000 of income from car parking and there is a need for an annual review. (*Note a report on car parking charges will be submitted to the Hub Committee in accordance with the normal budget timetable*).

**For further information, please also refer to:**

*Presentation One: Lisa Buckle - Presentation on the Medium Term Financial Strategy*

*Presentation Two: Steve Jorden - Presentation on the Business Development & Income Generation Agenda*