

# West Devon Overview and Scrutiny (Internal) Committee



West Devon  
Borough  
Council

<b>Title:</b>	<b>Agenda</b>										
<b>Date:</b>	<b>Tuesday, 6th October, 2015</b>										
<b>Time:</b>	<b>2.00 pm</b>										
<b>Venue:</b>	<b>Chamber - Kilworthy Park</b>										
<b>Full Members:</b>	<p style="text-align: center;"><b>Chairman</b> Cllr Musgrave <b>Vice Chairman</b> Cllr Yelland</p> <p><i>Members:</i></p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td>Cllr Davies</td> <td>Cllr McInnes</td> </tr> <tr> <td>Cllr Edmonds</td> <td>Cllr Mott</td> </tr> <tr> <td>Cllr Evans</td> <td>Cllr Moyse</td> </tr> <tr> <td>Cllr Hockridge</td> <td>Cllr Sellis</td> </tr> <tr> <td>Cllr Kimber</td> <td></td> </tr> </table>	Cllr Davies	Cllr McInnes	Cllr Edmonds	Cllr Mott	Cllr Evans	Cllr Moyse	Cllr Hockridge	Cllr Sellis	Cllr Kimber	
Cllr Davies	Cllr McInnes										
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Cllr Evans	Cllr Moyse										
Cllr Hockridge	Cllr Sellis										
Cllr Kimber											
<b>Interests – Declaration and Restriction on Participation:</b>	Members are reminded of their responsibility to declare any disclosable pecuniary interest not entered in the Authority's register or local non pecuniary interest which they have in any item of business on the agenda (subject to the exception for sensitive information) and to leave the meeting prior to discussion and voting on an item in which they have a disclosable pecuniary interest.										
<b>Committee administrator:</b>											

**1. Apologies for Absence**

**2. Confirmation of Minutes**

**1 - 8**

**3. 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.

**4. 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

**5. Public Forum**

**9 - 10**

A period of up to 15 minutes is available to deal with issues raised by the public.

**6. Hub Committee Forward Plan**

**11 - 16**

If any Member seeks further clarity, or wishes to raise issues regarding any future Hub Committee agenda item, please contact Member Services before **5.00pm on Thursday, 1 October 2015** to ensure that the lead officer(s) are aware of this request in advance of the meeting.

**7. Medium Term Financial Strategy for the Five Year Period 2016/17 to 2020/21**

**17 - 46**

**8. Update on Transformation Programme T18**

To consider a verbal update on the Transformation Programme

**9. Development Management - Service Update and Presentation**

**10. Customer Services Stats Update**

**11. Ombudsman Update and Annual Review Letter**

**47 - 56**

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|--|----------------|
| <b>12. Notes Arising from the Member Development Steering Group Meeting held on 24 August 2015</b>   | <b>57 - 58</b> |
| <b>13. Task and Finish Group Updates:<br/>(a) Performance Management</b>   |                |
| <b>14. Draft Work Programme 2015/16</b><br>An opportunity for Members to suggest potential agenda items for the forthcoming Municipal Year | <b>59 - 60</b> |

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# Agenda Item 2

At a Meeting of the **OVERVIEW & SCRUTINY (INTERNAL) COMMITTEE** held at the Council Chamber, Council Offices, Kilworthy Park, Drake Road, **TAVISTOCK** on **TUESDAY** the **21<sup>st</sup>** day of **JULY 2015** at **2.00 pm**.

**Present:**

Cllr C R Musgrave – Chairman  
Cllr J Yelland – Vice-Chairman  
Cllr M Davies  
Cllr J Evans  
Cllr P Kimber  
Cllr C Mott  
Cllr D K A Sellis  
Cllr C Edmonds  
Cllr L J G Hockridge  
Cllr J R McInnes  
Cllr D E Moyse

Head of Paid Service  
Executive Director (Service Delivery and  
Commercial Development)  
Group Manager – Customer First  
S151 Officer  
Senior Specialist – Democratic Services

**Also in Attendance:**

Cllrs D W Cloke, G Parker, T G Pearce and J Sheldon

**\*O&S(I) 10 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Cllr J B Moody, who had been invited to attend this meeting in his capacity as the lead Hub Committee Member for Customer First and Cllr K Ball, who had been invited to attend in his capacity as Chairman of the Member Development Steering Group.

**\*O&S(I) 11 CONFIRMATION OF MINUTES**

The minutes of the Meeting held on 9 June 2015 were confirmed and signed by the Chairman as a correct record.

**\*O&S(I) 12 DECLARATIONS OF INTEREST**

Members and officers were asked to declare any interests in the items of business to be considered during the course of this meeting, but there were none made.

**\*O&S(I) 13 COMMITTEE TERMS OF REFERENCE**

Further to the request made by the Committee at its last meeting to streamline its terms of reference (Minute O&S(I) 3 refers), an updated version had been presented to the meeting.

In discussion, the Committee expressed its support for the revised version and felt it would be useful for these to be included with the published agenda for future meetings.

It was then:

**RESOLVED**

That the streamlined version of the draft terms of reference be noted.

**\*O&S(I) 14 PUBLIC FORUM**

It was noted that no issues were raised in accordance with the Public Forum.

**\*O&S(I) 15 HUB COMMITTEE FORWARD PLAN**

The most recent (published 16 July 2015) Hub Committee Forward Plan was presented for consideration.

In general discussion, Members acknowledged that there were a number of overlaps in the roles of the lead Hub Committee Members. For clarity, Members were informed that Cllr Parker's portfolio area was 'Our Plan and Strategic Housing' whilst Cllr Moody's area of responsibility included Planning.

**Medium Term Financial Strategy 2016/17 Onwards**

The S151 Officer attended the meeting to provide an update on the 'Medium Term Financial Strategy 2016/17 Onwards' agenda item that was due to be presented to the Hub Committee meeting on 22 September 2015.

In discussion on this item, reference was made to:-

- (a) the recent budget announcement by the Chancellor. Whilst unconfirmed, the S151 Officer advised that the anticipated grant reductions from central government may be phased over a slightly longer period than had been initially anticipated, but details of this would not be known until the Chancellor had issued the Autumn Statement later in the year. Officers informed the Committee that modelling work would be undertaken in the next few weeks to assess various scenarios;
- (b) the living wage being increased to £7.20 per hour from April 2016. A Member expressed his concern at the Chancellor's seemingly contradictory announcements whereby the living wage would dramatically increase yet other public sector wage increases would be restricted to 1% per year. In reply, it was noted that the Local Government Association was aware of the implications and would be lobbying central government accordingly;
- (c) the draft Statement of Accounts for 2014/15. Members were advised that the draft Statement would be presented to the Audit Committee meeting on 28 July 2015 and it indicated a budget underspend of £70,000 for 2014/15;

- (d) a summary of the Medium Term Financial Strategy. In light of Member interest, the Committee requested that the S151 Officer present a summary of the Financial Strategy to the next Committee meeting on 6 October 2015.

It was then:

**RESOLVED**

1. That the Forward Plan be noted; and
2. That a summary of the 2016/17 Medium Term Financial Strategy be scheduled on to the annual work programme for the next Committee meeting.

**\*O&S(I) 16 CUSTOMER FIRST UPDATE**

At the request of the Committee Chairman, the Group Manager – Customer First was in attendance to provide an update on the service areas which were contained within Customer First.

In so doing, reference was made to:-

- (a) Customer Services. With the aid of a paper outlining performance comparisons for 2014-15, the Group Manager commented that she was of the view that Customer Services had now turned a corner and overall performance was improving. The paper also highlighted that:
- o call volumes had dramatically increased (by 12%), largely as a consequence of the service now receiving the Development Management Service telephone calls;
  - o one third of staff were currently temporary and in training;
  - o 70% of calls were being answered, with 35% of these being answered within 20 seconds. However, 30% of callers were also experiencing a greater than 7 minute wait to have their call answered;
  - o the self-service portal on the website was absolutely critical to the effectiveness of the service. Once it was in place and operational, more customers would be able to self-serve and therefore the number of calls into the Council would be reduced.

In the drive to reduce instances of failure demand, officers informed that such calls had recently started to be logged and this was seen to be a key workstream for Customer Services.

Some Members expressed their concerns that 30% of calls were not being answered.

To address the capacity issues in Customer Services, officers were currently seeking the approval of the HR Panel to increase the staff numbers in this area by 3 full time equivalent posts.

When informed that officers did signpost customers to other agencies and the website (where appropriate), some Members felt that there was scope to also direct callers to 'My Devon' which was a service provided by Devon County Council. In response, officers confirmed that they would follow this matter up and report back in due course.

Whilst still in its infancy, there was a general appreciation for the initiative whereby a Member Direct Dial telephone number into the Council had been established for the exclusive use of Members.

- (b) **Locality Working.** It was noted that the locality model had got off to a good start and there had already been a number of instances of success stories.

With regard to locality officers attending a meeting of each town and parish council to introduce themselves, a Member felt it to be regrettable that this was not going to happen as a matter of course. Following a lengthy debate, officers informed that locality officers would be in attendance during the Town and Parish Council Event on 1 September 2015 and they would also give more consideration to the issue of raising their profile amongst the town and parish councils;

- (c) **Housing Advice and Housing Benefits.** The Committee was advised that whilst both services were performing reasonably well, the Transformation Programme Phase 2 recruitment process was likely to have a significant impact in the upcoming months;
- (d) **Council Tax.** In light of the backlog of work increasing, Members were informed that the service was focusing on its newest work to ensure that the backlog did not increase further. Due to the sheer volume of work, officers stated that some staff were working weekends in an attempt to reduce the backlog;
- (e) **Business Rates.** There were no service issues identified in respect of Business Rates;
- (f) **Planning.** Whilst there would not be a qualified planning officer in the Okehampton Drop-in office for four weeks during the summer, there would be an officer on site who had extensive experience of working within the planning department. As a consequence, officers were confident that she would be able to deal with the bulk of planning queries raised.



The Committee noted that the number of planning applications received remained fairly constant, but there were 76 which still awaited processing. Planning advice related work had now been transferred to Follaton House, Totnes and planning staff were also working additional hours to deal with the current workload. To also help with the volume of work, the councils had now successfully recruited four new permanent planning officers and were still using Plymouth City Council to help with the registering of planning applications.

Members felt that the average time taken to register planning applications was far too long and this view was acknowledged by officers, who commented that their current focus was on the front end of the planning process.

- (g) Planning Enforcement. There were currently 191 live enforcement cases in the Borough and these were being picked up by shared officers, who would ultimately be supported (once trained) by the locality officers. Officers informed that this number was constant with the number of live cases back in 2012. A Member queried this point and expressed his view that the number of enforcement issues were on the increase and the figures were only constant in light of the amount of cases which had run out of time and had therefore dropped off the system;
- (h) Assets. The Assets service was still in the process of recruiting and, in addition to its already hefty workload, was also supporting the leisure centre procurement exercise;
- (i) Environmental Health. The Committee was notified that the software migration exercise was now complete;
- (j) Customer First vacancies. For clarity, the Group Manager stated that there were currently 15 vacancies in the Customer First service;
- (k) the administrative base for the Programme being located at Follaton House. Whilst accepting that this decision was taken by the previous council, some Members wished to put on record their concerns at the implications of this decision and the consequent lack of fixed base staff who were located at Kilworthy Park. In response, the Head of Paid Services made reference to the agile working agenda being an underpinning principle of the Programme and it being his ethos that it did not matter where officers were situated and it was more crucial that the work was being completed and to a good standard. Furthermore, if the Council took the decision to revisit where the administrative base was located, then this would have significant budgetary implications on both the Programme and the Council;

(l) Customer Satisfaction. As part of the Task and Finish Group review into performance measures, it was felt that the way that the Council obtained its customer's views would be absolutely critical;

(m)the Committee Work Programme. In light of Members not wishing to lose sight of the performance of Customer Services and the Development Management Service, it was requested that updates be scheduled on to the next meeting agenda on 6 October 2015.

It was then:

**RESOLVED**

That the Customer First update be noted.

**\*O&S(I) 17 UPDATE ON TRANSFORMATION PROGRAMME T18**

The Committee was presented with the T18 Budget Monitoring Report – Q4 2014/15, which had also been considered by the Hub Committee at its meeting on 14 July 2015 (Minute HC 9 also refers).

The Executive Director (Service Delivery and Commercial Services) presented the report and in particular directed Members to the comments related to the following T18 workstreams: HR, IT, Finance and Accommodation. In so doing, the Executive Director emphasised the headline message whereby the Transformation Programme was both on time and within the agreed budget.

In the ensuing debate, specific reference was made to:-

- the high level transition plan for phase 1(b). In response to a query regarding the timeline, it was agreed that this would be attached to these minutes (Appendix A refers). When questioned, officers informed that the timeline for the planning portal was towards the end of the programme due to the much longer test time period prior to it being launched;
- the Civica mobile application. In reply to a query, officers confirmed that they would find out when exactly the Civica mobile application would be available and let Members know accordingly.

**\*O&S(I) 18 MEMBER DEVELOPMENT STEERING GROUP NOTES – 6 JULY 2015 MEETING**

The Committee was presented with the notes arising from the Member Development Steering Group meeting held on 6 July 2015.

In discussion, the following points were raised:-

- (a) the importance of continual learning and development opportunities for Members was emphasised. It was also recognised that ongoing learning and development added value to Members; the Council; and West Devon residents;
- (b) Once the Induction questionnaire had been compiled and circulated, Members were encouraged to fill it in;
- (c) The importance of arranging ongoing planning training for Members and designing sessions which were interactive and engaging was stressed;
- (d) In line with the Modern Gov. IT rollout, officers gave assurances that extensive training would be arranged and support would be readily available for Members to help them through this transition.

It was then:

**RESOLVED**

That the notes arising from the recent Member Development Steering Group meeting be received and noted.

**\*O&S(I) 19 TASK AND FINISH GROUP UPDATES**

**(a) Performance Management**

The Panel was informed that the first meeting of the Group had been arranged to take place on Monday, 3 August 2015.

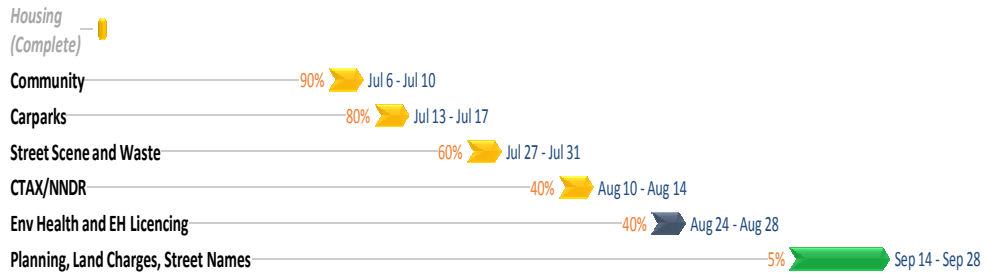
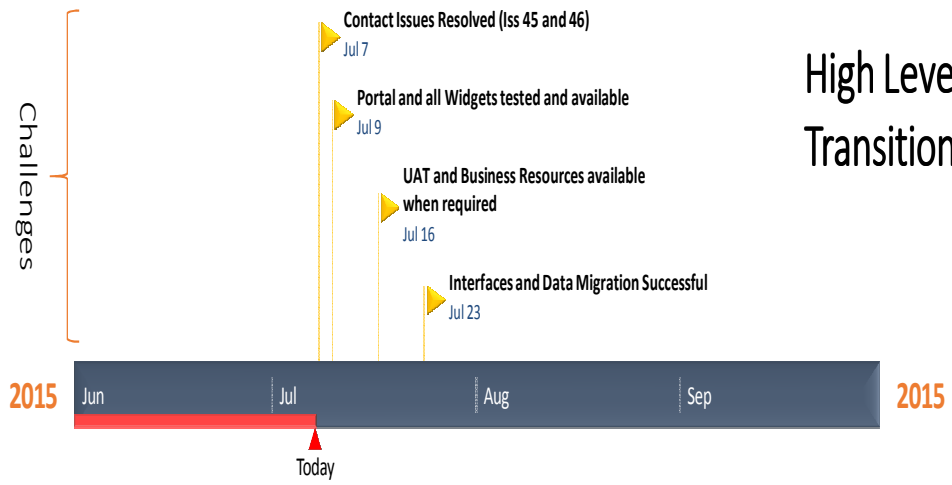
**\*O&S(I) 20 DRAFT WORK PROGRAMME 2015/16**

The Committee considered its draft 2015/16 Work Programme (as circulated with the published agenda) and made reference to the addition of the Medium Term Financial Strategy summary paper being presented to the next Committee meeting on 6 October 2015.

(The meeting terminated at 3.30 pm)

# Appendix A

## High Level 1b Transition Plan



## **PUBLIC FORUM PROCEDURES**

### **(a) General**

Members of the public may raise issues and ask questions at meetings of the Overview and Scrutiny Committee. This session will last for up to fifteen minutes at the beginning of each meeting, with any individual speaker having a maximum of three minutes to address the Committee.

### **(b) Notice of Questions**

An issue or question may only be raised by a member of the public provided that they have given written notice (which may be by electronic mail) to Darryl White ([darryl.white@swdevon.gov.uk](mailto:darryl.white@swdevon.gov.uk)) by 5.00pm on the Thursday, prior to the relevant meeting.

### **(c) Scope of Questions**

An issue may be rejected by the Monitoring Officer if:

- it relates to a matter within the functions of the Planning and Licensing Committee;
- it is not about a matter for which the local authority has a responsibility or which affects the district;
- it is offensive, frivolous or defamatory;
- it is substantially the same as a question which has previously been put in the past six months; or
- it requires the disclosure of confidential or exempt information.

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## WEST DEVON BOROUGH COUNCIL: HUB COMMITTEE FORWARD PLAN

This is the provisional forward plan for the six months starting 27 October 2015. It provides an indicative date for matters to be considered by the Hub Committee. Where possible, the Hub Committee will keep to the dates shown in the plan. However, it may be necessary for some items to be rescheduled and other items added.

The forward plan is published to publicise consultation dates and enable dialogue between the Hub Committee and all councillors, the public and other stakeholders. It will also assist the Council's Overview and Scrutiny Committees in planning their contribution to policy development and holding the Hub Committee to account.

The Plan is published in hard copy and on the Council's website ([www.westdevon.gov.uk](http://www.westdevon.gov.uk))

**Members of the public are welcome to attend all meetings of the Hub Committee, which are normally held at Kilworthy Park, Tavistock, and normally start at 2.00 pm.**

**If advance notice has been given, questions can be put to the Hub Committee at the beginning of the meeting.**

The Hub Committee consists of nine Councillors. Each has responsibility for a particular area of the Council's work.

*Cllr Sanders – Leader*

*Cllr Baldwin – Deputy Leader*

*Cllr Sampson – Lead Member for Commercial Services and Contracts*

*Cllr Moody – Lead Member for Customer First*

*Cllr Oxborough – Lead Member for Economy*

*Cllr Benson – Lead Member for Environment*

*Cllr Samuel – Lead Member for Health and Wellbeing*

*Cllr Cann OBE - Lead Member for Resources and Performance*

*Cllr Parker – Lead Member for Our Plan and Strategic Housing*

Further information on the workings of the Hub Committee, including latest information on agenda items, can be obtained by contacting the Member Services Section on 01822 813662 or by e-mail to [member.services@westdevon.gov.uk](mailto:member.services@westdevon.gov.uk)

**All items listed in this Forward Plan will be discussed in public at the relevant meeting, unless otherwise indicated for the reasons shown**

**DECISIONS TO BE TAKEN BY THE HUB COMMITTEE**

<b>Service</b>	<b>Title of Report and summary</b>	<b>Lead Officer and Member</b>	<b>Relevant Scrutiny Cttee</b>	<b>Decision maker</b>	<b>Anticipated date of decision</b>
Commercial Services	<b>Waste Contract – proposals from Waste Contractor</b>	JS/Cllr Sampson	External		27 Oct 2015
Commercial Services	<b>Procurement of Waste Cleansing Contract 2017</b>	JS/Cllr Sampson	External		27 Oct 2015
Commercial Services	<b>Devon Building Control Partnership</b>	HD/Cllr Baldwin	External		27 October 2015
Support Services	<b>Medium Term Financial Strategy 2016/17 onwards – to update the Medium Term Financial forecast with a view to setting a direction of travel for the next five years</b>	LB/Cllr Sanders	Internal	Council	27 October 2015
Strategy and Commissioning	<b>Business Development Opportunities – Asset Management Strategy</b>	DA/Cllr Benson	Internal	Council	27 October 2015
Customer First	<b>Council Tax Reduction Scheme – to update on the Council Tax Reduction Scheme</b>	IB/Cllr Samuel	Internal	Council	27 October 2015
Support Services	<b>Revenue Budget Monitoring and Capital Programme Monitoring - to update Members on the latest revenue budget position</b>	LB/Cllr Sanders	Internal	Hub Committee	27 October 2015
SLT	<b>T18 Budget Monitoring - to update Members on the financial position of the T18 Programme</b>	SM/Cllr Sanders	Internal	Hub Committee	1 Dec 2015
Support Services	<b>Write Off Report (Q2 2015/16) - to update Members on write offs for all revenue streams within the Revenue and Benefits service</b>	LB/Cllr Samuel	Internal	Hub Committee	1 Dec 2015
Support Services	<b>Draft Revenue Budget Proposals for 2016/17 -</b>	LB/Cllr Sanders	Either	Council	1 Dec 2015
Support Services	<b>Draft Capital Programme Proposals for 2016/17 -</b>	LB/Cllr Sanders	Either	Council	1 Dec 2015
Support Services	<b>Revenue Budget Proposals for 2016/17 -</b>	LB/Cllr Sanders	Either	Council	26 January 2016
Support Services	<b>Capital Programme Proposals for 2016/17 -</b>	LB/Cllr Sanders	Either	Council	26 January 2016
Support Services	<b>Council Tax Resolution 2016/17 –</b>	LB/Cllr Sanders	Internal	Hub Committee	25 February 2016
Support Services	<b>Revenue Budget Monitoring - to update Members on the latest revenue budget position</b>	LB/Cllr Sanders	Internal		25 February 2016



Support Services	<b>Capital Programme Monitoring</b> – to update Members on the financial position of capital projects	LB/Cllr Sanders	Internal	Hub Committee	25 February 2016
SLT	<b>T18 Budget Monitoring</b> - to update Members on the financial position of the T18 Programme	SM/Cllr Sanders	Internal	Hub Committee	25 February 2016
SLT	<b>Review of Roles and Responsibilities for Hub Committee Members</b> (as requested June 2015)	SJ/Cllr Sanders	Internal	Hub Committee	25 February 2016
Support Services	<b>Write Off Report (Q3 2015/16)</b> - to update Members on write offs for all revenue streams within the Revenue and Benefits service	LB/Cllr Samuel	Internal	Hub Committee	25 February 2016
Customer First	<b>Homeless Strategy -</b>	IB/Cllr Samuel	Internal	Council	22 March 2016
Support Services	<b>Revenue Budget Monitoring</b> - to update Members on the latest revenue budget position	LB/Cllr Sanders	Internal	Hub Committee	May 2016
Support Services	<b>Capital Programme Monitoring</b> – to update Members on the financial position of capital projects	LB/Cllr Sanders	Internal	Hub Committee	May 2016
SLT	<b>T18 Budget Monitoring</b> - to update Members on the financial position of the T18 Programme	SM/Cllr Sanders	Internal	Hub Committee	May 2016
Support Services	<b>Write Off Report (Q4 2015/16)</b> - to update Members on write offs for all revenue streams within the Revenue and Benefits service	LB/Cllr Samuel	Internal	Hub Committee	May 2016

**\* Exempt Item (This means information contained in the report is not available to members of the public)**

SJ – Steve Jordan – Executive Director Strategy and Commissioning and Head of Paid Service

SH – Sophie Hosking – Executive Director Service Delivery and Commercial Development

LB – Lisa Buckle – Finance COP Lead and s151 Officer

HD – Helen Dobby – Group Manager Commercial Services

SM – Steve Mullineaux – Group Manager Support Services

CB – Chris Brooks – COP Lead Assets

IB – Isabel Blake – COP Lead Housing, Revenues and Benefits

JS – Jane Savage – Lead Specialist Waste Strategy

CBowen – Catherine Bowen – Monitoring Officer

TB – Tracey Beeck – Group Manager Customer First

SLT – Senior Leadership Team



**West Devon  
Borough  
Council**



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# Agenda Item 7

Report to: **Overview and Scrutiny Committee**  
Date: **6 October 2015**  
Title: **Medium Term Financial Strategy for the five year period 2016/17 to 2020/21**  
Portfolio Area: **Support Services**  
Wards Affected: **All**  
Relevant Scrutiny Committee: **Internal**

Urgent Decision: **N** Approval and clearance obtained: **Y**

Author: **Lisa Buckle** Role: **Finance Community of Practice Lead**

Contact: **Tel. 01803 861413**  
**Email: [lisa.buckle@swdevon.gov.uk](mailto:lisa.buckle@swdevon.gov.uk)**

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## **Recommendations:**

It is recommended that Members of the Overview and Scrutiny Committee consider the five year Medium Term Financial Strategy and provide an indication to the Hub Committee of the budget principles that the Committee would like to see adopted, with particular reference to;

- the level of council tax increase,
- the use of New Homes Bonus to support the revenue budget,
- the amount of Council Tax Support Grant to be passed on to Parish and Town Councils
- other income generation and budget savings and
- maintaining the current Council policy on the minimum level of unearmarked reserves being £750,000 (see 9.2).

## 1. Executive summary

- 1.1 This is the annual review of the Council's Medium Term Financial Strategy (MTFS). It is based on a financial forecast over a rolling five year timeframe to 2020/21 which will help ensure resources are aligned to the outcomes in Our Plan.
- 1.2 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.
- 1.3 The Council, along with other local authorities, has faced unprecedented reductions in Government funding since the Comprehensive Spending Review 2010. The Queen's Speech delivered on 27 May 2015 stated that the government will "continue the work of bringing the public finances under control and reducing the deficit, so that Britain lives within its means". The Summer Budget on 8 July 2015 has confirmed this and is likely to mean significant financial reductions particularly over the next two to three years until the government achieves its aim of running a budget surplus by 2019/20.
- 1.4 By the end of 2015/16, the Council's grant funding (Revenue Support Grant) will have reduced by over 45% from 2013. The economic backdrop continues to be challenging, resulting in significant on-going reductions in Government funding, with the Council needing to focus on long term financial planning.
- 1.5 In response, in 2013 the Council alongside its shared services partner, South Hams District Council, approved an innovative Transformation Programme (T18). This is delivering a new operating model to ensure that both Councils can continue to deliver quality services for its customers and communities. An investment budget of £2.83 million has been approved, to deliver annual recurring revenue savings of £1.64 million. The payback period for the Programme is 2.75 years. The Transformation Programme has received the backing of Central Government with an award of £266,000 of Government funding.
- 1.6 The following table illustrates the predicted budget (surplus)/gap from 2016/17 onwards for the Borough Council as shown in Appendix A:

	2016/17	2017/18	2018/19	2019/20	2020/21
	£	£	£	£	£
Annual budget (surplus)/gap	(571,177) surplus	84,520 gap	313,203 gap	98,859 gap	346,353 gap
<b>TOTAL BUDGET GAP OVER THE FIVE YEARS TO 2020/21</b>					<b>£376,758</b>

Section 6.3 gives more details of the key assumptions regarding these figures. The budget surplus in 2016/17 of £571,177 is available for reinvestment (on a one-off basis rather than annually) in the Council's

priorities, projects or as a contribution into Earmarked Reserves or the Council's Capital Programme.

- 1.7 If New Homes Bonus (NHB) were to be used as outlined in 7.3 of the report, this would mean that there would potentially be £317,087 of NHB which is uncommitted in 2016/2017 (with an additional £63,303 being uncommitted from 2015/16). This assumes that £1 million of NHB will be used annually to support the Revenue Base Budget.
- 1.8 It is not known how the forthcoming Spending Review 2015 (SR2015) will affect New Homes Bonus and whether there will be any policy changes affecting NHB. There is no doubt that an ending or phasing out of New Homes Bonus would have a very significant budgetary impact on Shire Districts (such as West Devon) in particular.
- 1.9 Whilst there remains a great deal of uncertainty about various elements of income and expenditure, the forecast has been based on a set of assumptions which represent a cautious estimate in order to focus attention on the revised scale of the funding gap. The figures will be revised as we progress through the financial year.
- 1.10 The Council's approach to financial planning over the medium term will include a focus on income generation and commercial opportunities. This will strengthen the position of the Borough Council by developing financial resilience through less exposure to reductions in Government funding.

## **2 ASSUMPTIONS FOR FINANCIAL MODELLING PURPOSES**

- 2.1 A two year employee pay settlement has been agreed which effectively equates to 1% in 2014/15 and a further 1.2% in 2015/16 for most employees. Future levels of pay settlement will be determined by national negotiation between the Local Government Employers and the Trade Unions. The Summer Budget 2015 did announce the context of a limiting of pay awards to 1% for the period 2016/17 to 2019/20. A budget provision of 1% for 2016/17 onwards has been modelled. The MTFs is not an expression of Council Policy on pay awards, but a means of ensuring an appropriate provision is made as part of the overall financial planning of the Council.
- 2.2 The MTFs assumes inflation will run at 2% (Government target) over the five year period. The Retail Price Index (RPI) at July 2015 was 1.0% and Consumer Price Index was 0.1%. An annual cost pressure of £60,000 has been included. This is partly to allow for an expected increase in business rates from the revaluation due in 2017.
- 2.3 The predicted interest rate forecast from our treasury management advisors, Sector, is shown below. The Council's budgeted investment income in 2015/16 is £40,000. It is assumed that the interest rate return for our investments will average 0.75 % for 2016/17 rising to 1.5% by 2018/19 as shown below:-

2016/17	-	0.75%
2017/18	-	1.00%
2018/19	-	1.50%

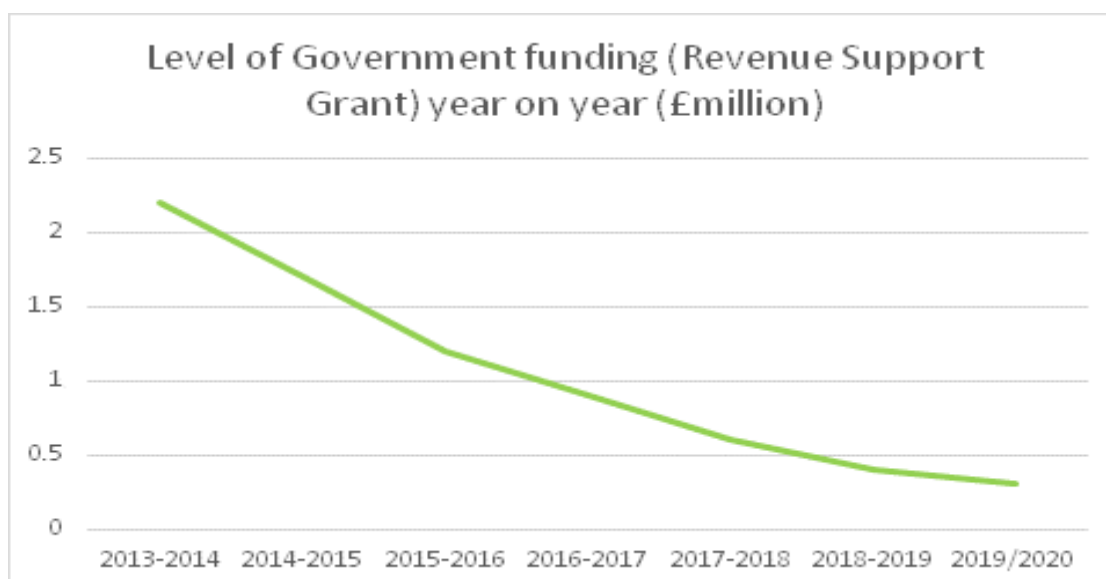
2.4 Two scenarios have been modelled for council tax purposes. The financial modelling in Appendix B1 assumes a Band D council tax increase of 1.99% annually. This means an increase to £212.53 in 2016/17. The financial modelling in Appendix B2 assumes that council tax is frozen for 2016/17 onwards and that a 1% freeze grant is built into the Settlement Funding Assessment (SFA) on an on-going basis. There is no confirmation whether this would be the case annually.

2.5 The assumed forecast reductions in Revenue Support Grant (RSG) are as follows (see 3.1 and 3.2):

	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £
<b>Revenue Support Grant (2015/16 RSG was £1.215m):</b>	0.892m	0.621m	0.371m	0.311m	Nil
% reduction	27%	30%	40%	16%	100%
<b>TOTAL REDUCTION OVER THE FIVE YEARS TO 2020/21</b>					<b>£1.215m</b>

### 3. GOVERNMENT FUNDING

3.1 The Government announced the figures for 2015-16. This was a one year settlement for 2015/16 only. No indicative funding levels have been published for 2016/17 onwards. The Revenue Support Grant was £1.215 million for 2015/2016. The next Spending Review is not due until 25 November 2015 and detailed local government information at authority level for 2016/17 is unlikely to be available until the Provisional Local Government Settlement is announced in December 2015. The graph below shows how Revenue Support Grant has fallen since 2013-14.





- 3.2 **Spending Review 2015 (SR2015)** - In July 2015, the Chancellor of the Exchequer published a policy paper, 'Spending Review 2015' – A country that lives within its means. It sets out the Government's approach to SR2015. The Chancellor of the Exchequer, George Osborne said:

*This Spending Review (2015) is the next step in our plan to eliminate the deficit, run a surplus and ensure Britain lives within its means. We'll invest in our priorities like the NHS and national security. Elsewhere in government, departments will have to find significant savings through efficiencies and by devolving power, so people have a greater say over the issues that affect them and their communities. We'll deliver more with less.*

The Spending Review will be set out on 25 November. Creating a strong and stable economy is the best way to support working people.

- 3.3 **Retained Business Rates** - The Government introduced the Business Rates Retention system from April 2013. There is a risk of volatility in the system because Councils are exposed to any loss of income if businesses go into decline. However, Authorities can voluntarily form a 'pool'. Pooling mitigates each Authority's exposure to Business Rate income volatility as the risks are spread over a larger pool.

In 2014/15 the Council received £39,927 as a pooling gain. This was additional business rates income generated as a consequence of being part of the Devonwide Business Rates pool.

In line with good financial management principles, a provision has been made in the Accounts for likely refunds of business rates as a result of appeals, against the rateable value of business properties. The appeals provision is based on the total value of outstanding appeals at the year end as advised by the Valuation Office Agency and on advice from them about the likely success rate of appeals.

The Council's Business Rates Gross amount payable has increased from £9.8 million in 2011/12 to £10.6 million in 2015/16. Therefore over the last 4 years, the Borough Council's business rates base has grown on average by 2% per annum.

Of the Business Rates collected of £10.6 million, the Council is predicted to retain in funding only £1.579 million of this in 2015/16. So the Borough Council retains approximately 15 pence in every £1 to run our services.

In 10.7 and 10.8 the Medium Term Financial Strategy refers to Devolution and part of any Devolution offering to Government could be around the share of Business Rates retained.

- 3.4 **Business Rates Revaluation** - There will be a Business Rates Revaluation which will go live on 1 April 2017. Following publication of the draft lists at the end of September 2016, the Valuation Office will be directing business ratepayers to their website where ratepayers can view their rateable value, find answers to their queries, and send factual corrections to the Valuation Office. This should improve ratepayers understanding of their proposed assessment and improve the accuracy and stability of the final lists when they become live on 1 April 2017.
- 3.5 **Income from Council Tax** – The Borough Council increased council tax by 1.9% for 2015/16 to £208.39 for a Band D property for West Devon. This amounted to a £3.89 increase on an average Band D property over a year equivalent to 7p a week. *A 1% increase in Council Tax generates an extra £40,000 in extra council tax income per annum.* The total income from Council Tax equates to £4.05 million in 2015/16 as per Appendix B1.
- 3.6 **Council Tax** – The table below shows how an average Band D council bill is made up for West Devon Borough Council for the last two years:

<b>Precepting Authority</b>	<b>Band D Council Tax 2014/15</b>	<b>Band D Council Tax 2015/16</b>	<b>£ Increase</b>	<b>% Increase</b>
West Devon Borough Council	£204.50	£208.39	£3.89	1.9%
Devon County Council	£1,138.59	£1,161.27	£22.68	1.99%
Devon & Cornwall Police	£166.16	£169.47	£3.31	1.99%
Devon & Somerset Fire & Rescue	£76.89	£78.42	£1.53	1.99%
Average Parish /Town Council	£57.31	£60.77	£3.46	6.04%
<b>TOTAL</b>	<b>£1,643.45</b>	<b>£1,678.32</b>	<b>£34.87</b>	<b>2.12%</b>

West Devon Borough Council's share of the council tax bill in 2015/16 was **12%**, being £208.39 out of an average Band D council tax bill of £1,678.32.

- 3.7 **Council Tax Referendum Limit** – The Localism Act introduced the power for the Secretary of State to set principles each year under which council tax increases are determined to be excessive. The Government announced that council tax increases of 2 per cent or over will be subject to a council tax referendum for 2015/16. This did not apply to Towns or Parishes in 2015/16. As at September 2015, there is no formal indication of what a referendum limit might be for 2016/17.

3.8 **Council Tax Freeze Grant** - In 2015/16 a 1% Council Tax Freeze Grant offer for 2015/16 was made. The indicative Council Tax Freeze Grant for 2015/16 was £42,000. The Borough Council chose to increase council tax in 2015/16. Again no details are yet known about any council tax freeze grant offer for 2016/17.

3.9 **Collection Fund Surplus** – At the end of March 2015, the Council has a balance on its Collection Fund (council tax collection fund) of £1.74 million. This will be distributed in 2016/17, which means that the Borough Council's share of the distribution is £280,000 which is funding available towards the 2016/17 Budget.

#### **4 THE COUNCIL'S STRATEGIC PRIORITIES – OUR PLAN**

4.1 In February 2015, the Council published 'Our Plan'. This new strategic plan for West Devon set out the vision, long term priorities and planning policies for the area to 2031 as below:-

***West Devon - A Leading Rural Council  
Thriving Towns and Villages***

***Enhancing the quality of life for individuals and communities***

4.2 Through Our Plan we are striving to achieve communities that have access to housing, employment, services and facilities that meet their needs, communities that are resilient, safe and able to make choices about their future. Our communities are places where businesses can develop and grow. We want to ensure Our Plan makes a positive contribution to the equality, fairness and spiritual wellbeing of our communities.

4.3 How we will achieve Our Vision is defined in each policy area and through the actions set out in our Annual Delivery Plan. We will measure the progress we are making by how well we are meeting our objectives, actions and targets and the impact all this is having on the people and places of West Devon.

The Plan's Objectives are:-

Our Wellbeing  
Our Communities  
Our Homes  
Our Economy  
Our Infrastructure  
Our Environment  
Our Heritage  
Our Resources

The full document can be accessed on  
<http://www.westdevon.gov.uk/ourplan>

## 5 BUDGET PRESSURES FOR 2016/17 ONWARDS

- 5.1 Financial modelling has been undertaken for the next five years to predict the Council's financial situation for the short and medium term.
- 5.2 **Appendix A** to the Medium Term Financial Strategy sets out the Budget Pressures forecast for the next five years and the additional savings and income forecast. A description of the larger budget pressures are set out below.
- 5.3 **Waste services contract** - There is a need to prepare for a potential uplift in the cost of the waste services contract based upon the indicated requirement for an additional waste round. This resource cost was absorbed by the contractor during the lifetime of the current contract due to the previously tendered rate.
- 5.4 The budget pressure in the Medium Term Financial Strategy (£300,000 for 2017/18 onwards) is the worst case scenario as there will be the opportunity to better the cost depending on the delivery vehicle chosen and the ability to charge for elements of service delivery in future if necessary. The figure is based upon current market rates for recycling materials which are constantly changing. This amount will be tested during the waste review process and so is indicative at this stage, based on known operational costs of the service 'as is'.
- 5.5 If a trading model is chosen for the delivery of the waste collection and cleansing services then there is an opportunity to further expand related services which may be sold to generate additional income. E.g. trade waste and trade recycling services. A one-off cost pressure for £80,000 has also been built into the Financial Strategy for a specialist resource to assist with the waste and cleansing options review and delivery and a further temporary staffing resource.
- 5.6 **Our Plan** - A report on Our Plan was considered by the Hub Committee on 22th September 2015. Minute (HC 14) recommended that a provision for 2016/17 of £75,000 is made for Our Plan. This is a one-off cost for 2016/17 for the cost of the examination in public, preparation of documents and in house costs.
- 5.7 **National Insurance** - There will be increased National Insurance (NI) contributions for employers effective from 2016/17. The extra cost to West Devon is £60,000 annually.
- 5.8 The Summer Budget 2015 also announced plans for a National Living wage for the over 25s of £7.20 per hour from 2016/17 increasing to £9.00 per hour by 2020. The number of Council employees affected are within single figures and therefore a provision has been included within the overall pay award budget provision.

- 5.9 **Triennial Pension revaluation** - The Local Government Pension Scheme (LGPS) was last subject to its triennial review in 2014/15. The next valuation impact is in 2017/18 and it is likely to add an additional cost pressure.
- 5.10 **Homelessness Grant** – The Council currently receives £50,000 per annum in a Homelessness grant. It is possible that this will cease in 2016/17 and therefore provision has been made within the budget for the Council to continue with homelessness prevention activity.
- 5.11 **Trading company** – The Council will need to engage specialist advice for legal and financial services in order to set up a trading company. Actuarial advice will also need to be taken from the Devon Pension Fund’s actuaries. A cost pressure of £75,000 has been included within the modelling.
- 5.12 **Tamar Estuaries Consultative Forum (TECF)** – West Devon Borough Council and South Hams District Council both currently contribute £3,635 to the Forum. It is proposed that both Councils increase this to £4,500 (an increase of £865 each – rounded to £1,000 for ease of modelling). TECF will bring support in producing Our Plan (see Section 4).

## **SAVINGS AND INCOME GENERATION**

- 5.13 **Transformation Programme 2018 (T18)** – In 2016/17 the Council will make savings of a further £725,000 as outlined in the original Business Case. This is on top of the savings of £962,000 per annum which were already built into the base budget for 2015/16. Section 1.5 gives more detail.

## **6. OVERALL POSITION – BUDGET (SURPLUS)/GAP**

- 6.1 **Appendices B1 and B2** illustrate the overall financial forecast for the forthcoming five years. Although the Council’s Net Budget is predicted to be in the region of £7.3 million in 2016/17, the Gross Expenditure of the Council is around £26 million.
- 6.2 A Summary forecast is shown below of the potential budget situation if all of the budget pressures and the savings and income generation in Appendix A were approved. It also shows the different situation if the Council Tax is increased by 1.99% (**shown in Appendix B1**) and if Council Tax is frozen (**shown in Appendix B2**). A 1% increase in Council Tax generates an extra £40,000 in extra income per annum.

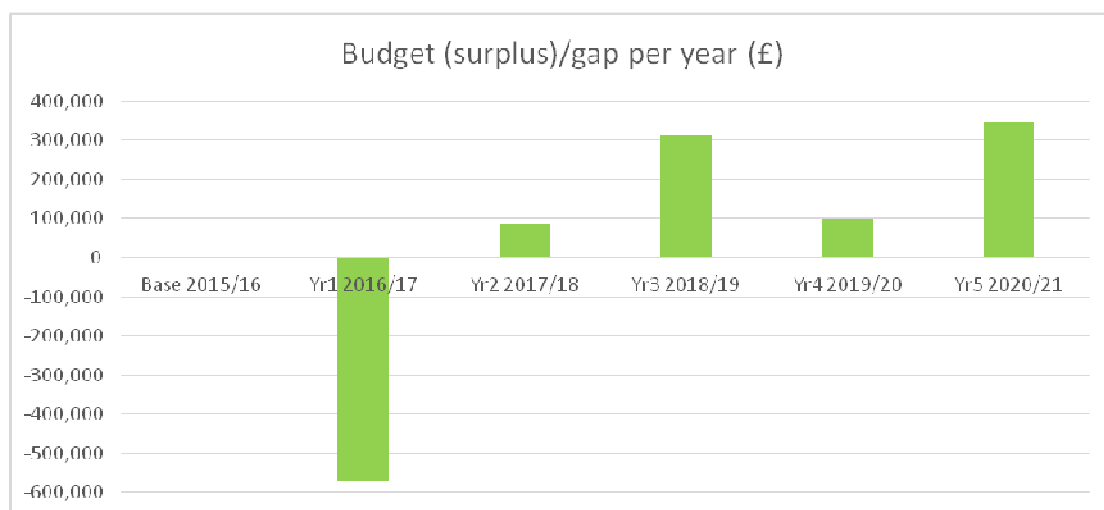
6.3 The following table illustrates the predicted budget (surplus)/gap from 2016/17 onwards for the Borough Council as shown in Appendix A:

	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £
Annual budget (surplus)/gap	(571,177) budget surplus	84,520 budget gap	313,203 budget gap	98,859 budget gap	346,353 budget gap
<b>TOTAL BUDGET GAP OVER THE FIVE YEARS TO 2020/21</b>					<b>£271,758</b>

These budget gaps are the position based on two key assumptions:

- That a contribution from New Homes Bonus of £1 million per annum will continue to fund the Revenue Base Budget
- That the budget surplus in 2016/17 is treated as a one-off surplus and is reinvested in one-off items. This could be a one-off investment into a priority area, investment in a specific project or a one-off contribution to Earmarked Reserves or the Capital Programme. (If the £571,177 budget surplus is reinvested in annual year on year priorities/commitments, then this would increase the budget gap in 2017/18 from £84,520 to £655,697.

6.4 This is shown in graphical format below:



- 6.5 The report sets out an anticipated budget surplus for 2016-2017 of **£571,177** if Council Tax is increased by 1.99% as per Appendix B1. The budget surplus decreases to **£531,797** as per Appendix B2, if Council Tax is frozen for 2016/17.
- 6.6 *The budget surplus in 2016/17 is mainly as a result of the full amount of savings from the Council's Transformation Programme being realised by 2016/17 (see 5.13).*
- 6.7 In 2017/18 the Council moves into the position of having a budget gap again (of £84,520). Section 6.3 sets out the future years' budget gaps.

## 7 NEW HOMES BONUS (NHB)

7.1 This grant was introduced in 2011/12 and provides incentives for local authorities and local communities to be supportive of housing growth. It is not ring fenced and can be spent on anything. New Homes Bonus is funded through a combination of central government funding (£250m per annum) and top-sliced Revenue Support Grant (the balance each year).

7.2 The table below shows an estimate of New Homes Bonus for the next five years.

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
2011/12	323,920	323,920				
2012/13	568,622	568,622	568,622			
2013/14	133,255	133,255	133,255	133,255		
2014/15	222,997	222,997	222,997	222,997	222,997	
2015/16	248,975	248,975	248,975	248,975	248,975	248,975
2016/17*		251,680	251,680	251,680	251,680	251,680
2017/18*			251,680	251,680	251,680	251,680
2018/19*				251,680	251,680	251,680
2019/20*					251,680	251,680
2020/21*						251,680
New Homes Bonus returned (See Note 1)	4,913					
Forecast NHB	<b>1,502,682</b>	<b>1,749,449</b>	<b>1,677,209</b>	<b>1,360,267</b>	<b>1,478,692</b>	<b>1,507,375</b>

\*Predictions have been made based on an extra 200 properties per annum

Note 1 – New Homes Bonus (NHB) is top-sliced from Revenue Support Grant in advance. If the actual NHB allocations that Councils receive is less than the amount that has been top-sliced in advance, the Government return the unused element of the top-slice to Councils after the allocations to Councils have been made. The figures shown in this line is West Devon's share of the returned NHB.

7.3 The table below shows the possible use of New Homes Bonus:

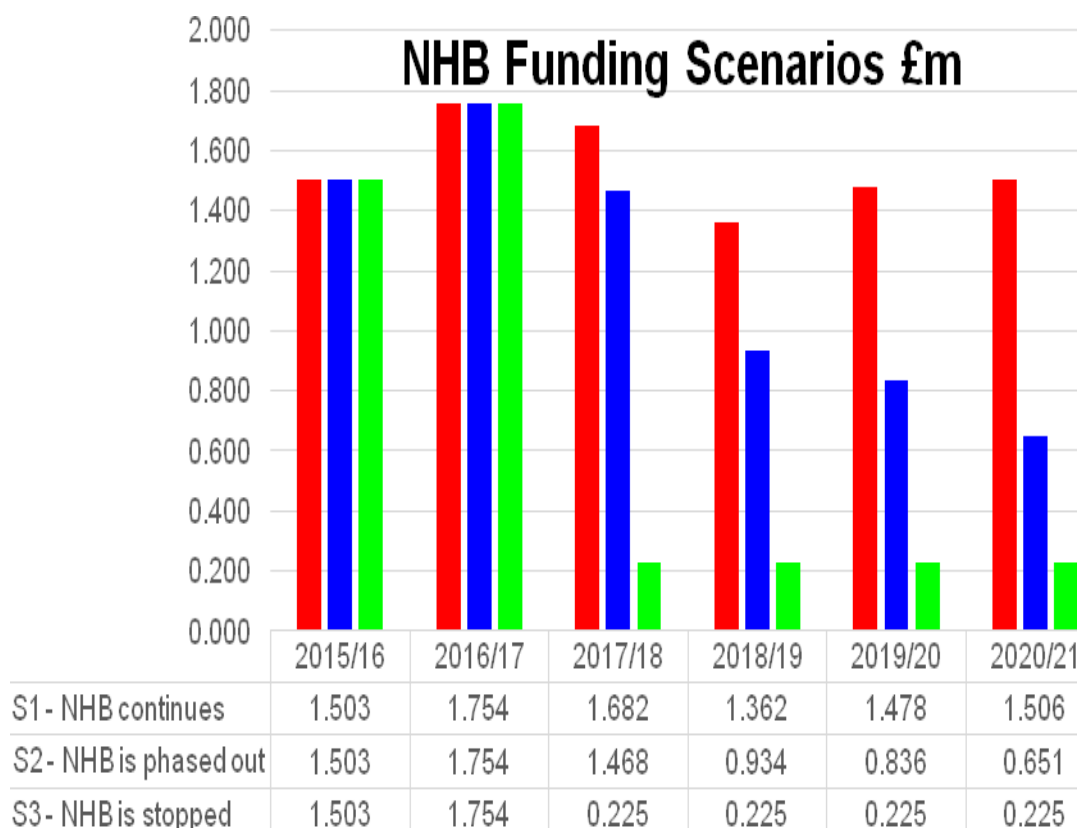
	2015/16 £	2016/17 £	2017/18 £	2018/19 £	2019/20	2020/21
Amount receivable	1,502,682	1,749,449	1,677,209	1,360,267	1,478,692	1,507,375
To fund current Revenue Budget *	(1,224,769)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
To fund the Capital Programme (as per 8.1)	(212,000)	(412,000)	(412,000)	(412,000)	(412,000)	(412,000)
Dartmoor National Park contribution – See Note 2 below	(2,610)	(20,362)	(28,146)	TBA	TBA	TBA
<b>Balance remaining (not committed)</b>	<b>63,303 remaining</b>	<b>317,087 remaining</b>	<b>237,063 remaining</b>	<b>(51,733) This is a shortfall</b>	<b>66,692 remaining</b>	<b>95,375 remaining</b>

7.4 If New Homes Bonus were to be used as outlined in 7.3 above, this would mean that there would potentially be £317,087 of NHB which is uncommitted in 2016/2017 (with an additional £63,303 being uncommitted from 2015/16).

7.5 It is not known how the Spending Review 2015 (SR2015) will affect New Homes Bonus and whether there will be any policy changes affecting NHB.



7.6 The modelling below shows what might happen if there is a policy change on New Homes Bonus in the future. There is no doubt that an ending of New Homes Bonus would have a very significant budgetary impact on Shire Districts (such as West Devon) in particular.



**Key**

**Red Line = S1 – NHB continues without any policy change**

**Blue Line = S2 – NHB is gradually phased out from 2016/17 (policy change)**

**Green Line = S3 – NHB is stopped from 2016/17 onwards (policy change)**

7.7 S1 shows the current level of NHB expected to be received with no policy changes and agrees to Section 7.2. Lines S2 and S3 show the decrease in New Homes Bonus levels if NHB is phased out or stopped. So by example in 2020/21, NHB is expected to be £1.5 million. This could reduce to £0.651 million if NHB is phased out or £0.225million if NHB is stopped. If scenario S2 happened, this would add £480,000 to the shortfall in 2018/19 –rising to an extra £760,000 by 2020/21.

7.8 **Dartmoor National Park (DNP)** – On an annual basis Dartmoor National Park request a share of the New Homes Bonus to reflect new homes delivered within the park. The money is used to support a local community fund and, for example, joint work through the rural housing enabler. Members considered this as part of the Budget process for 2015/16 and the following system is in place:-

- A one off payment is to be agreed on an annual basis based on actual completions.
- The allocation received by DNP are to be spent only within those parishes falling within the boundaries of the Borough Council.
- The agreed sum is transferred to an Earmarked Reserve called ‘Community Investment Fund – Dartmoor National Park’ and the DNP make an annual application to draw down funds as required in line with the process agreed for that fund.

## 8. CAPITAL PROGRAMME 2016/17 to 2020/21

8.1 The table below shows the proposed Capital Programme for 2016/17 and projected figures to 2020/21:

	2016/17	2017/18	2018/19	2019/20	2020/21
Tenants Incentive Scheme (TIS)	15,000	15,000	15,000	15,000	15,000
Village Halls and Community Projects	36,000	36,000	36,000	36,000	36,000
Affordable Housing (see Note 1)	200,000	200,000	200,000	200,000	200,000
Disabled Facilities Grants (see Note 2)	400,000	400,000	400,000	400,000	400,000
<b>TOTAL CAPITAL PROGRAMME</b>	<b>651,000</b>	<b>651,000</b>	<b>651,000</b>	<b>651,000</b>	<b>651,000</b>
<b>Suggested method of funding the Capital Programme:</b>					
Better Care funding towards Disabled Facilities Grants (see Note 2)	(239,000)	(239,000)	(239,000)	(239,000)	(239,000)
<b>Potential funding from New Homes Bonus (Required to fund the Capital Programme)</b>	<b>412,000</b>	<b>412,000</b>	<b>412,000</b>	<b>412,000</b>	<b>412,000</b>

**Note 1** - The current level of capital funding allocated to the delivery of affordable housing is an annual contribution of £200,000. There is already a budget of £550,000 approved in the Capital Programme for affordable housing. National policies and funding strategies designed to deliver affordable housing have significantly changed in recent years with much greater reliance on the provision of affordable housing without public subsidy, primarily through the planning process.

**Note 2** – From 2015/16, the funding for Disabled Facilities Grants will be from the Better Care Fund held by Devon County Council and funding will be passported to District Councils. Provisional allocations for 15/16 show an increase in contributions to £239,000. This level has been assumed for 2016/17 onwards.

- 8.2 The current machinery used to process our recyclate is owned by the Council (purchased via grant funding) and is reaching the end of its' life. The future processing of recyclable materials will be considered through the forthcoming waste review and the option of capital purchase of new machinery vs. other suitable options will be explored and reported back to Members.
- 8.3 The Capital Programme is set by the Council and may be funded by sale proceeds from the disposal of assets (capital receipts), external grants and contributions, directly from revenue or from borrowing.
- 8.4 As part of the Medium Term Financial Strategy (MTFS), it is necessary to review the level and phasing of schemes within the Capital Programme. It is important that the programme is matched with available resources and the impact on reserves and the revenue budget is fully assessed.
- 8.5 **Prudential Borrowing** - The Council will consider the use of prudential borrowing to support capital investment to deliver services and will ensure that the full costs of borrowing are taken into account when investment decisions are made. The Council is currently procuring a new leisure contract to commence in 2016/17 and by April 2017 the Council's waste services will have been procured (see 5.3 to 5.5). Front line service delivery options requiring capital investment will therefore be explored using this model to provide the Council with the fullest range of future choice.

**9. EARMARKED AND UNEARMARKED RESERVES**

9.1 The Council's Net Budget will be £7.2 million in 2016/17. It is still recommended to retain the same policy of a maintaining a minimum level of Unearmarked Reserves of £750,000. The summary below shows the position at 31 March 2015:

<b>The Use of Unearmarked Revenue Reserves</b>	<b>2014/15 £'000</b>
Balance B/fwd 1.4.2014	953
Revenue Outturn Underspend for 2014-15	70
Unearmarked revenue reserves at 31.3.2015	<b>1,023</b>
Earmarked revenue reserves at 31.3.2015 (see Appendix C)	<b>1,023</b>

The Unearmarked General Fund Revenue Reserve balance at 31<sup>st</sup> March 2015 was £1,023,000 and the Earmarked Reserves balance was £1,023,000. This gave total Revenue Reserves of £2,046,000. The predicted earmarked and unearmarked reserves for 2015/16 are shown below:-

	<b>£'000</b>
Unearmarked Reserves balance as at 31 <sup>st</sup> March 2015	1,023
Earmarked Reserves	1,023
Predicted movement in Earmarked Reserves (Appendix C)	(321)
<b>Total Predicted Reserves as at 31<sup>st</sup> March 2016</b>	<b>1,725</b>
(Unearmarked Reserves of £1,023,000 and Earmarked Reserves of £702,000 as shown in Appendix C)	

9.2 Our financial strategy recognises the need to maintain un-earmarked revenue reserves to provide stability for both medium and longer term planning and to provide a contingency against unforeseen events. In setting the minimum level at £750,000 the following have been taken into account:

- The size of the authority
- The volatility of some income and expenditure budgets due to a dependency on the weather, tourism and state of the economy
- The risks faced by the Council with regard to funding unforeseen events
- Uncertainty over future Government funding
- Uncertainty over future New Homes Bonus allocations

- 9.3 The Unearmarked Reserves balance of £1.023 million stands above the minimum balance of £0.75million and acts as a safeguard against unforeseen financial pressures.
- 9.4 **Specific Earmarked Reserves** - The level and commitments for each reserve are kept under review each year to make sure the committed balance is adequate for its purpose (in accordance with LLAP Bulletin 99, a guide on 'Reserves' from the Chartered Institute of Public Finance). A schedule of predicted Earmarked Reserves for 15/16 is shown in Appendix C. Earmarked Reserves are predicted to be £702,000 at the end of March 2016.

## 10 OTHER BUDGET ISSUES

- 10.1 **Council Tax Reduction Scheme** – Following Council Tax Benefit being abolished, Council in December 2013 approved the implementation of a cost neutral local Council Tax Reduction Scheme for 2014/15. This scheme is a discount scheme rather than a state welfare benefit and means that working age claimants will pay a minimum of 20% towards their Council Tax bill. There will be an exception hardship fund to help those claimants experiencing severe financial difficulties.
- 10.2 These changes have the effect of reducing the council tax base not only for the Borough Council, but also for Town and Parish Councils, Devon County Council, The Police and Crime Commission and Devon and Somerset Fire Authority. Reductions in the Council Tax Base adversely affect a local authority's ability to raise income from Council Tax.
- 10.3 The Government is providing financial support for local authorities (Council Tax Support Grant) to assist them in dealing with the effects of the benefit changes on their Council Tax Base.
- 10.4 In the December 2013 Statement, the Minister reminded local authorities that within the funding for Council Tax Support Schemes there is an element to specifically reflect reductions in the parish tax base resulting from the introduction of Localised Support for Council Tax. He confirms that the funding is not separately identified because it is not ring-fenced. There is recognition that as caseloads change and schemes evolve, the amount that different parishes need will also change. There is also an expectation by the Government that billing authorities will continue to pass on support to town and parish councils to help mitigate any reduction in their tax base due to the local Council Tax support scheme.

- 10.5 It is therefore considered appropriate that the Council Tax Support Grant to Town and Parish Councils should reduce in line with the reduction that the Borough Council is experiencing with its Settlement Funding Assessment (SFA). The Council approved a grant distribution of £87,285 for 2015-16. It is estimated that the Council's SFA (Business Rates and Revenue Support Grant) will decrease by **11.2%** in 2016-17 (see Appendix B).
- 10.6 Members' views are now sought on the proposal to consult with Town and Parish Councils on a 11.2% reduction to their grant for 2016-17 (from £87,285 to £77,509). This is an overall reduction of **£9,776**. **Appendix D** illustrates the effect for each Town and Parish.
- 10.7 **Devolution** - The government intends to support towns and counties to play their part in growing the economy, offering them the opportunity to agree devolution deals, and providing local people with the levers they need to boost growth. The government is working with towns and counties to make these deals happen.
- 10.8 All Devon and Somerset Councils have signed a Statement of Intent to look at working up a Devolution offering to Government. The Government, spearheaded by the Chancellor, has made clear its intention to make devolution 'deals' a major policy theme for the new Parliament.
- 10.9 **Income generation opportunities and the Council's asset management strategy** - Efficient and effective management of the Council's commercial property portfolio is inextricably linked to the Council's response to expected reduction in funding support and increasing the revenue from commercial property will help to bridge any future funding gaps. Receipts from all asset disposals will initially be held in a reserve, before being used to reinvest in the commercial property estate.
- 10.10 The commercial property portfolio is run as a commercial enterprise so as to generate a revenue stream for the Council. It is the aim of the Council to continue to run the commercial estate and over time, to increase its size, by developing out sites in its ownership, as well as through the purchase of new land where required. The development programme will form part of the capital programme, which is predicated on robust and compelling business cases. Whenever financially viable, the Council will consider and deploy renewable energy / environmentally friendly solutions and technologies.

10.11 In summary, the Council's asset management strategy is to:

- Pro-active dispose of non-strategic land to reduce operational expenditure
- Ring fence funds realised from asset disposals for future development
- Bring forward strategic sites for development or disposal as appropriate (investment will be required)
- Actively grow Commercial Asset Portfolio - Focus on Housing (Affordable, Rental, Market) & Employment Units

10.12 Other income generation initiatives will be pursued in tandem with extending the commercial property portfolio; linked to driving more value from Council assets and resources. This could be from increased fees and charges or providing customers with added value services.

10.13 **Working in partnership** - Opportunities for working in collaboration and partnership and different ways of working will be identified and developed where this will support the delivery of the Council's outcomes and improve service efficiency and delivery. This will include development of trading opportunities and business models and exploiting external funding opportunities.

## 11. IMPLICATIONS

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	<p>The Hub Committee is responsible for recommending to Council the budgetary framework. In accordance with the Financial Procedure Rules, Council must decide the general level of Reserves and the use of Earmarked Reserves.</p> <p>The preparation of this MTFS is evidence that the Council has considered and taken into account all relevant information and proper advice when determining its financial arrangements in accordance with statutory requirements, and in particular, that it will set a lawful budget.</p>
Financial	Y	The financial implications are set out in Sections 1.6 to 1.7 of the Executive Summary.
Risk	Y	The financial risks are as set out in the report.

Comprehensive Impact Assessment Implications		
Equality and Diversity		None directly arising from this report.
Safeguarding		None directly arising from this report.
Community Safety, Crime and Disorder		None directly arising from this report.
Health, Safety and Wellbeing		None directly arising from this report.
Other implications		None directly arising from this report.

### Supporting Information

Appendices:

Appendix A – Budget pressures and savings

Appendix B1 – Modelling of council tax increasing by 1.99%

Appendix B2 – Modelling of council tax freezing

Appendix C – Reserves

Appendix D – Town and Parish Council Tax Support Grant allocation

### **Approval and clearance of report**

<b>Process checklist</b>	<b>Completed</b>
Portfolio Holder briefed	<b>Yes</b>
SLT Rep briefed	<b>Yes</b>
Relevant Exec Director sign off (draft)	<b>Yes</b>
Data protection issues considered	<b>Yes</b>
If exempt information, public (part 1) report also drafted. (Committee/Scrutiny)	<b>N/A</b>



BUDGET PRESSURES AND SAVINGS

APPENDIX A

WEST DEVON BOROUGH COUNCIL

BUDGET PRESSURES

Inflation on the waste collection, recycling and cleansing contract (estimate) (see 5.4)  
 Specialist resource - Waste and Cleansing options review and delivery (see 5.5) - one off  
 Inflation on the street cleaning and public conveniences  
 Recycling of garden and leaf collections  
 New glass recycling banks x 3  
 Inflation on the swimming pool contract (profiled fee)  
 Our Plan (see 5.6)  
 Inflation on goods and services  
 Reduction in Housing Benefit administration subsidy  
 Increase in salaries - increments and pay and grading  
 Increase in salaries - pay increase at 1%  
 National Insurance - (see 5.7)  
 Triennial Pension revaluation  
 Reduction in the Homelessness Grant (see 5.10)  
 Trading company - specialist advice ( see 5.11) - One off  
 Elections - reversal of 15/16 one off cost pressure  
 New Governance Arrangements  
 Tamar Valley Legacy Plan  
 Rural Development Programme for England  
 Tavistock Townscape (Council March 14 CM74)  
 Reduction in TIC Savings  
 Tamar Estuaries Consultative Forum (see 5.12)  
 Workstation rental costs - payment to South Hams - this is offset by savings as shown below  
 (T18 Council Minute CM49 - November 2013)

BASE 2015/16 £	Yr1 2016/17 £	Yr2 2017/18 £	Yr3 2018/19 £	Yr4 2019/20 £	Yr5 2020/21 £
80,000	80,000	300,000	80,000	80,000	80,000
0	80,000	(80,000)	0	0	0
0	10,000	30,000	10,000	10,000	10,000
27,200	44,200	0	0	0	0
8,000	(8,000)	0	0	0	0
10,000	10,000	20,000	10,000	10,000	10,000
0	75,000	(75,000)	0	0	0
15,000	60,000	60,000	60,000	60,000	60,000
34,000	40,000	40,000	40,000	40,000	40,000
0	40,000	40,000	40,000	40,000	40,000
58,800	40,000	40,000	40,000	40,000	40,000
	60,000	0	0	0	0
20,000	60,000	60,000	60,000	60,000	60,000
0	50,000	0	0	0	0
0	75,000	(75,000)	0	0	0
50,000	(50,000)	0	0	0	0
28,000	0	0	0	0	0
28,000	3,000	0	0	0	0
10,400	0	0	0	0	0
10,000	0	0	0	0	0
15,000	0	0	0	0	0
	1,000				
90,000	0	0	0	0	0
<b>484,400</b>	<b>670,200</b>	<b>360,000</b>	<b>340,000</b>	<b>340,000</b>	<b>340,000</b>

TOTAL IDENTIFIED BUDGET PRESSURES

WEST DEVON BOROUGH COUNCIL

BASE	Yr1	Yr2	Yr3	Yr4	Yr5
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BUDGET PRESSURES AND SAVINGS

APPENDIX A

	2015/16 £	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £
<b>Contribution to T18 Strategic Change Earmarked Reserve</b>						
Transformation Project (T18) - Approved at 9th December 2014 Council (One-off investment costs included for completeness)						
<i>Contribution to Strategic Change Reserve to meet redundancy and pension costs (offset by savings above)</i>	805,000	125,000	160,000	120,000	35,000	0
<i>Net contribution to T18 Reserve to meet other non-recurring costs (offset by savings above)</i>	67,000	67,000	67,000	67,000	67,000	0
<b>Total Contribution to T18 Strategic Change Earmarked Reserve</b>	<b>872,000</b>	<b>192,000</b>	<b>227,000</b>	<b>187,000</b>	<b>102,000</b>	<b>0</b>

SAVINGS AND INCOME GENERATION IDENTIFIED

	BASE 2015/16 £	Yr1 2016/17 £	Yr2 2017/18 £	Yr3 2018/19 £	Yr4 2019/20 £	Yr5 2020/21 £
Reduction on Members Allowances (Council 13 May 2014)	4,200	0	0	0	0	0
Savings on audit fees	12,000	0	0	0	0	0
New income generation from Street Name and Numbering	7,500	0	0	0	0	0
Additional investment income	0	5,000	15,000	30,000	5,000	5,000
Business Rates pooling gain (see 3.3)	30,000	10,000	10,000	10,000	10,000	10,000
Bank Charges Reduction	5,000	0	0	0	0	0
<b>TOTAL SAVINGS AND INCOME GENERATION (excluding T18 savings)</b>	<b>58,700</b>	<b>15,000</b>	<b>25,000</b>	<b>40,000</b>	<b>15,000</b>	<b>15,000</b>

Reduced running costs at Kilworthy Park and additional leasing income	90,000	15,000	15,000	15,000	15,000	0
Transformation Project (T18) savings - Approved at 9th December 2014 Council report (Appendix C) - £700,000 staff savings (30% of current staffing levels) and £25,000 other staff saving costs (ancillary costs) - Note the £725,000 savings in 2016/17 are in addition to £962,000 of savings already built into the 2015/16 Base Budget as shown.	872,000	725,000	0	0	0	0
<b>TOTAL SAVINGS AND INCOME GENERATION (including T18 savings)</b>	<b>1,020,700</b>	<b>755,000</b>	<b>40,000</b>	<b>55,000</b>	<b>30,000</b>	<b>15,000</b>

Line No.	<b>Example B1 - Council Tax is increased by 1.99% each year</b> Modelling for the financial years 2016/17 onwards	Base 2015/16 £	Yr1 2016/17 £	Yr2 2017/18 £	Yr3 2018/19 £	Yr4 2019/20 £	Yr5 2020/21 £
1	Base budget brought forward (line 4/line11)	7,798,625	7,262,325	7,177,525	7,413,004	7,384,799	7,595,940
2	Budget pressures (as per Appendix A)	484,400	670,200	360,000	340,000	340,000	340,000
3	Savings already identified (as per Appendix A) Further Savings Identified	(1,020,700)	(755,000)	(40,000)	(55,000)	(30,000)	(15,000)
4	<b>Projected Net Expenditure:</b>	<b>7,262,325</b>	<b>7,177,525</b>	<b>7,497,525</b>	<b>7,698,004</b>	<b>7,694,799</b>	<b>7,920,940</b>
	<b>Funded By:-</b>						
5	<b>Council Tax income</b> - Modelling a 1.99% increase in council tax each year (Taxbase 15/16 = 19,457 Band D Equivalent properties)	4,054,644	4,177,702	4,304,005	4,433,800	4,566,941	4,699,587
6	Collection Fund Surplus	60,589	280,000	80,000	80,000	80,000	80,000
7	Revenue Support Grant	1,215,323	892,000	621,000	371,000	311,000	0
8	Localised Business Rates	1,579,000	1,591,000	1,635,000	1,687,000	1,740,000	1,795,000
9	Funding from New Homes Bonus	1,224,769	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
10	Less: Contribution to Strategic Change Earmarked Reserve (T18)	-872,000	-192,000	-227,000	-187,000	-102,000	0
11	<b>Total Projected Funding Sources</b>	<b>7,262,325</b>	<b>7,748,702</b>	<b>7,413,005</b>	<b>7,384,800</b>	<b>7,595,941</b>	<b>7,574,587</b>
	<b>Budget (surplus)/ gap per year</b>						
12	(Projected Expenditure line 4 - Projected Funding line 11)	<b>0</b>	<b>-571,177</b>	<b>84,520</b>	<b>313,203</b>	<b>98,859</b>	<b>346,353</b>

Cumulative Budget (Surplus)/Gap - There is a budget surplus in 2016/17 and budget gaps in the remaining four years.	0	-571,177	-486,657	-173,453	-74,594	271,758
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An assumption of an additional 200 Band D equivalent properties per year has been included in the TaxBase and modelling above for 2016/17 onwards

**Memorandum Note - NHB remaining to fund the Revenue Budget, after funding the Capital Programme**

This line shows the amount of New Homes Bonus (NHB) available to fund the Revenue Budget, after the funding for the Capital Programme has been deducted.	1,090,682	1,337,449	1,265,209	948,267	1,066,692	1,095,375
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## FINANCIAL STRATEGY

Line No.	Example B2 - Council Tax is frozen every year from 16/17 onwards Modelling for the financial years 2016/17 onwards	Base 2015/16 £	Yr1 2016/17 £	Yr2 2017/18 £	Yr3 2018/19 £	Yr4 2019/20 £	Yr5 2020/21 £
1	Base budget brought forward (line 4/line11)	7,798,625	7,262,325	7,177,525	7,330,999	7,256,677	7,418,355
2	Budget pressures (as per Appendix A)	484,400	670,200	360,000	340,000	340,000	340,000
3	Savings already identified (as per Appendix A) Further Savings Identified	(1,020,700)	(755,000)	(40,000)	(55,000)	(30,000)	(15,000)
4	<b>Projected Net Expenditure:</b>	<b>7,262,325</b>	<b>7,177,525</b>	<b>7,497,525</b>	<b>7,615,999</b>	<b>7,566,677</b>	<b>7,743,355</b>
5	<b>Council Tax income</b> - Assumes Council Tax is frozen in 2016/17 and thereafter (Taxbase 15/16 = 19,457)	4,054,644	4,096,322	4,138,000	4,179,678	4,221,356	4,263,034
6	Council Tax Freeze modelled for 16/17 onwards - (assumed built into the baseline thereafter)		42,000	84,000	126,000	168,000	210,000
7	Collection Fund Surplus	60,589	280,000	80,000	80,000	80,000	80,000
8	Revenue Support Grant	1,215,323	892,000	621,000	371,000	311,000	0
9	Localised Business Rates	1,579,000	1,591,000	1,635,000	1,687,000	1,740,000	1,795,000
10	Funding from New Homes Bonus	1,224,769	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
11	Less: Contribution to Strategic Change Earmarked Reserve (T18)	-872,000	-192,000	-227,000	-187,000	-102,000	0
12	<b>Total Projected Income</b>	<b>7,262,325</b>	<b>7,709,322</b>	<b>7,331,000</b>	<b>7,256,678</b>	<b>7,418,356</b>	<b>7,348,034</b>
	<b>Budget (surplus)/gap per year</b>						
13	(Projected Expenditure line 4 - Projected Income line 12)	<b>0</b>	<b>-531,797</b>	<b>166,525</b>	<b>359,321</b>	<b>148,321</b>	<b>395,321</b>

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Cumulative Budget (Surplus)/Budget Gap - There is a budget surplus in 2016/17 and budget gaps in the years thereafter.	0	-531,797	-365,272	-5,951	142,370	537,691
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An assumption of an additional 200 Band D equivalent properties per year has been included in the TaxBase and modelling above for 16/17 onwards

**Memorandum Note - NHB remaining to fund the Revenue Budget, after funding the Capital Programme**

This line shows the amount of New Homes Bonus (NHB) available to fund the Revenue Budget, after the funding for the Capital Programme has been deducted.	1,090,682	1,337,449	1,265,209	948,267	1,066,692	1,095,375
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<b>RESERVES - PROJECTED BALANCES</b>				
	<b>Opening balance</b>	<b>Predicted spend</b>	<b>Projected balance</b>	
	<b>1 April 2015</b>	<b>to 31.3.2016</b>	<b>31.3.2016</b>	<b>Comments</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	
<b>EARMARKED RESERVES</b>				
<b>Specific Reserves - General Fund</b>				
				This reserve will be used to offset the balance on the Collection Fund. This relates to a timing issue on the accounting adjustments required for the localisation of business rates.
Business Rates Retention Scheme	(321)	100	(221)	
Car Parking Maintenance	(318)		(318)	
Local Authority Business Growth Incentive (LABGI)	(21)	21	0	
Habitats Earmarked Reserve	(24)	24	0	
Cannons Meadow	(21)	3	(18)	Written down to revenue annually
County Election	(24)		(24)	
Landscape Maintenance	(20)			
Fifth Wave Neighbourhood Front Runners	(50)	(5)	(55)	
DCLG Business Support Scheme	(13)	13	0	
DCC Public Health	(40)	40	0	
Devon County Council - TAP Funds	(49)	49	0	
Economic Grant Initiatives	(16)	16	0	
Flood Works	(20)	20	0	
Other Reserves below £15,000	(86)	40	(46)	
<b>TOTAL EARMARKED RESERVES</b>	<b>(1,023)</b>	<b>321</b>	<b>(702)</b>	
<b>TOTAL UNEARMARKED RESERVES</b>	<b>(1,023)</b>		<b>(1,023)</b>	As per Final Accounts 2014/15
<b>TOTAL REVENUE RESERVES (EARMARKED AND UNEARMARKED RESERVES)</b>	<b>(2,046)</b>	<b>321</b>	<b>(1,725)</b>	

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**Town and Parish - Council Tax Support Grant allocation**

Parish/Town	<u>Council Tax Support Grant allocation for 2015/16</u>	<u>11.20% Percentage reduction</u>	<u>Council Tax Support Grant allocation for 2016/17</u>
Okehampton Town Council	20,326	2276	18,049
Hatherleigh Town Council	1,914	214	1,700
Bere Ferrers Parish Council	5,417	607	4,810
Lifton Parish Council	897	100	796
Dartmoor Forest Parish Council	1,402	157	1,245
Inwardleigh Parish Council	220	25	195
Tavistock Town Council	39,335	4405	34,929
Bridestowe Parish Council	439	49	390
North Tawton Town Council	5,253	588	4,665
South Tawton Parish Council	793	89	704
Horrabridge Parish Council	1,865	209	1,657
Sampford Courtenay Parish Council	369	41	328
Mary Tavy Parish Council	917	103	814
Sourton Parish Council	278	31	247
Lamerton Parish Council	308	35	274
Drewsteignton Parish Council	790	88	701
Northlew Parish Council	447	50	397
Kelly Parish Meeting	26	3	23
Spreyton Parish Council	99	11	88
Chagford Parish Council	1,719	193	1,527
Gulworthy Parish Council	195	22	173
Sticklepath Parish Council	167	19	149
Broadwoodkelly Parish Council	115	13	102
Milton Abbot Parish Council	184	21	164
Beaworthy Parish Council	53	6	47
Exbourne & Jacobstowe Grouped Parish Council	216	24	192
Meeth Parish Council	53	6	47
Highampton Parish Council	142	16	126
Bratton Clovelly Parish Council	183	20	162
Iddesleigh Parish Council	66	7	59
Sydenham Damerel Parish Council	18	2	16
Burrator Parish Council	158	18	140
Plasterdown Grouped Parish Council	94	10	83
Stowford Parish Council	68	8	60
Bondleigh Parish Council	8	1	7
Okehampton Hamlets Parish Council	326	36	289
Buckland Monachorum Parish Council	1,411	158	1,253
Monkokehampton Parish Council	57	6	51
Lydford Parish Council	204	23	181
Throwleigh Parish Council	99	11	88
Peter Tavy Parish Council	210	24	187
Belstone Parish Council	49	5	43
Lewdown Grouped Parish Council	116	13	103
Germansweek Parish Council	39	4	34
Brentor Parish Council	240	27	213
Gidleigh Parish Council	0	0	0
	<b>87,285</b>	<b>9,776</b>	<b>77,509</b>

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Report to: **Overview & Scrutiny (Internal) Committee**

Date: **6 October 2015**

Title: **The Ombudsman's Annual Review Letter 2015**

Portfolio Area: **Customer First**

Wards Affected: **All**

Urgent Decision: **N**

Author: **Catherine Bowen** Role: **Community of Practice Lead Specialist (Legal) and Monitoring Officer**

Contact: [Catherine.bowen@swdevon.gov.uk](mailto:Catherine.bowen@swdevon.gov.uk)

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## **Recommendations:**

1. To review the Ombudsman's Annual Letter and consider what corporate lessons may be learnt and whether further service improvements are required.

### **1. Executive summary**

- 1) To consider the Local Government Ombudsman's Annual Review Letter 2015 regarding Ombudsman complaints received against the Council for the period 1 April 2014 to 31 March 2015.
- 2) Members are requested to review the complaints and consider what corporate lessons have been learnt or can be learnt from the outcome of the complaints and whether further service improvements can be made.

### **2. Background**

- 1) The Local Government Ombudsman investigates complaints made by members of the public about public authorities (currently excluding parish and town councils). The Government is however, consulting on the proposal to extend the Ombudsman's jurisdiction to some town and parish councils and the outcome of that consultation is still awaited.

- 2) The Ombudsman will investigate a complaint if it relates to maladministration or injustice by the Council. The Ombudsman will not be able to investigate all of the complaints referred to her as some will fall outside of her remit and the Ombudsman can only investigate a complaint that has already been considered through the Council's own complaints procedure. The Council must have had the opportunity to consider the complaint first.
- 3) A complainant cannot appeal against the Ombudsman's decision but complaints can be reviewed if new information is presented to the Ombudsman.

### **3. The Annual Letter 2015 and Complaints and Decisions**

- 1) The Ombudsman's office changed its business processes during 2012/13 and the Ombudsman's Annual Review Letter now only presents high level statistical information on the number of complaints received by the Council. A copy of the Annual Review Letter 2015 for West Devon Borough Council is attached as Appendix A.
- 2) However, the Ombudsman recognises that presenting the total number of complaints may not, by itself, give a clear picture of how well these complaints have been responded to and the Ombudsman is working on its internal processes so that future Annual Review Letters will focus less on the total number of complaints and more on the outcomes of those complaints.
- 3) The Review Letter shows that in 2014/15 the Ombudsman received 12 complaints and enquiries compared to 16 complaints and enquiries for the previous financial year. The Ombudsman made 13 decisions compared to 11 decisions for the same period the previous year.
- 4) A more detailed summary of the complaints and Ombudsman's decisions received by the Council is attached as Appendix B. Members will note that the figures do not correspond. On querying this we have been advised by the Ombudsman's office that they are unable to provide any further detailed information on the statistics on an individual basis as they do not have the resource available to divert from their core work of dealing with the public's complaints.
- 5) However, the Ombudsman has provided answers to frequently asked questions relating to their Review Letters which goes some way to explaining the discrepancy in the figures in the Review Letter and the Council's records. Common questions and answers are set out below:

***Why are there different totals for the number of complaints & enquiries registered, and the number of decisions made?***

*Not every decision made will relate to a complaint made in that year. There may be complaints registered in 14/15 that have not yet been decided on, and decisions may have been made in the financial year 14/15 for complaints registered in a previous year.*

***I cannot match up the number of decisions the Ombudsman has made to the number I have on file***

*Because our figures include enquiries, they will not match what your council holds. For example the Ombudsman can offer advice on, or refer complaints back to the council. We classify these as decisions and because no contact between the Ombudsman and local authority has been made, it is unlikely you will hold a record of them.*

***Your data shows a complaint or enquiry about a service our council does not provide***

*We categorise our complaints slightly differently to how councils may record their own. For example we include disabled facilities grant complaints within either Adult Care Services or Education and Children's Services depending on the age of the person affected. We also include blue badge complaints as part of Adult Care Services.*

- 6) Members will note from Appendix B that the Planning service continues to attract most complaints to the Ombudsman, and were complaints in respect of which the complaint was upheld. This is the pattern for many authorities given the nature of the service.
- 7) The key purpose of the review of the Ombudsman's letter is to improve services as a result of learning from the complaints received. It is not suggested that each complaint is reviewed by the Committee but to review whether there are underlying problems or service improvements required. The final column in Appendix B shows the learning outcomes for those complaints where there has been a finding against the Council, but Members should note that the Ombudsman presents complaints as 'upheld' even where the Council has already negotiated a solution acceptable to the complainant.

**5. Proposed Way Forward**

- 1) The Council is currently considering its internal complaints policy and clearly if the Council can resolve complaints effectively at a local level this will reduce the number of complaints referred to the Ombudsman (and hence resources utilised).
- 2) Senior staff will be receiving training on Ombudsman complaints in the Autumn which, combined with a more proactive approach, is anticipated to reduce the number of decisions which are upheld by the Ombudsman.

**6. Implications**

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	The Local Government Ombudsman is governed by the Local Government Act 1974.  Overview & Scrutiny is responsible for having an

		<p>overview of complaints handling and for an overview of Ombudsman complaints, and the Ombudsman Annual Review Letter is an important part of that process.</p> <p>The decisions in respect of each case are provided to the relevant service in order that any recommendations made by the Ombudsman are acted upon and lessons learnt can be implemented.</p>
Financial	Y	<p>Where is it necessary to settle a complaint by the payment of compensation (or the Council has already offered a settlement) payment is made out of the current year's revenue budget for the service in question. In 2014/15 this amounted to £2, 450 the Planning budget.</p> <p>There are resource implications in the officer time spent in dealing with the complaint in both the initial stages under the Council's internal complaints policy as well as the resources required in responding to the Ombudsman complaint, but it is not currently possible to quantify this time.</p>
Risk	Y	<p>It is important that the Council is aware of the number and type of complaints made to the Ombudsman together with the outcomes and lessons learnt.</p> <p>Whilst it is not possible to eliminate complaints, it is possible to manage the complaints efficiently and learn from the outcomes of these complaints to mitigate the risk of recurrence and deliver service improvements.</p>
Comprehensive Impact Assessment Implications		
Equality and Diversity		This is considered within the individual complaints
Safeguarding		N/a
Community Safety, Crime and Disorder		N/a
Health, Safety and Wellbeing		N/a
Other implications		

## **Supporting Information**

### **Appendices:**

Appendix A: the Local government Ombudsman Annual Review Letter 2014/15

Appendix B: table of Ombudsman complaints received and decided upon during 2014/15

### **Background Papers:**

**None**

### **Approval and clearance of report**

All reports must have Finance Service clearance and Legal Service clearance. Your report will only receive clearance if the implications in Section 6 are considered by the Finance and Legal Services to be complete and accurate. Make sure you contact the Finance Service and the Legal Service early on for advice where there are potentially financial or legal implications. If there are other resource implications you must forward your report to the appropriate officer for clearance. If those clearing the report make amendments they will advise you of that fact and refer you to the relevant changes. As report author you are responsible for finalising the report and its content but you are required to have regard to the comments of the Finance and Legal Services and clear reasons for not following their advice.

<b>Process checklist</b>	<b>Completed</b>
Portfolio Holder briefed	<b>Yes/No</b>
SLT Rep briefed	<b>Yes/No</b>
Relevant Exec Director sign off (draft)	<b>Yes/No</b>
Data protection issues considered	<b>Yes/No</b>
If exempt information, public (part 1) report also drafted. (Committee/Scrutiny)	<b>Yes/No</b>

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West Devon BC  
Decisions made in period (Apr 2014 - Mar 2015)

	Ref	Category	Brief Description	Decision date	Decision
1	13009288	Planning & Development	Drainage issues	15/Apr/2014	Upheld
2	13019197	Planning & Development		12/May/2014	Closed after initial enquiries
3	13012263	Planning & Development	Neighbour got false plans approved, we failed to sort it after hearing, failed to notify her (party wall missed).	27/May/2014	Upheld
4	14003728	Planning & Development		04/Jun/2014	Referred back for local resolution
5	14003316	Planning & Development	Miss G complained that her application was not decided within eight weeks	19/Aug/2014	Closed after initial enquiries
6	14009216	Planning & Development		02/Sep/2014	Referred back for local resolution
7	14010129	Corporate & Other Services		17/Sep/2014	Incomplete/Invalid
8	13018180	Environmental Services & Public Protection & Regulation	Mrs X complained the council should not have accused her of antisocial behaviour without speaking to her first	24/Sep/2014	Not Upheld
9	14012185	Benefits & Tax		22/Oct/2014	Referred back for local resolution
10	14014553	Planning & Development		18/Dec/2014	Referred back for local resolution
11	13019342	Planning & Development	Devon Bank replaced by high wall and treated as minor adaptation	19/Jan/2015	Upheld

West Devon BC  
Decisions made in period (Apr 2014 - Mar 2015)

12	13021064	Planning & Development	Devon Bank replaced by high wall and treated as minor adaptation	19/Jan/2015	Upheld
13	14018519	Benefits & Tax		20/Feb/2015	Referred back for local resolution

West Devon BC  
Decisions made in period (Apr 2014 - Mar 2015)

Decision Details	Learning Outcomes
Drainage problems resolved and Council not responsible for unadopted section of road complained about - complaint closed	
19/11/13 Council wrote to planning applicant to say could only go ahead if have agreement of neighbours inc complainant. Pay £2,200.	Planners required to make and keep site notes
As Miss G used alternative remedy, her complaint is outside jurisdiction. Other matters complained about are intertwined with application and cannot therefore be separated.	
As no further reports of antisocial behaviour and neighbour has moved, therefore not good use of public money to investigate further.	
The Authority did not consider the impact on Mr Y's property or the surrounding landscape of replacing a Devon bank with a brick wall 2.75 metres above Mr Y's garden. It failed to impose any conditions for rendering or screening the wall. This was fault. Pay £250 for plants	Planners reminded to consider impact on neighbours

2015/03/27

West Devon BC  
Decisions made in period (Apr 2014 - Mar 2015)

<p>Mr Z complains the Local Planning Authority wrongly treated an amendment to replace a Devon Bank with a high blockwork wall as non-material. The Authority failed to consider the impact on the Complainant's property or the surrounding landscape before deciding the amendment was non material. It also failed to require rendering or screening of the wall on the complainant's side. This was fault.</p>	<p>As above - same issue, different neighbour</p>

## NOTES OF THE MEETING OF THE MEMBER DEVELOPMENT STEERING GROUP HELD AT KILWORTHY PARK, TAVISTOCK ON MONDAY, 24 AUGUST 2015

### MEMBERS

\* Cllr K Ball - Chairman

\* Cllr R Cheadle

\* Cllr L Samuel

\* Cllr A F Leech

\* Cllr J Yelland

\* Denotes attendance

Officers in attendance:

All items: Senior Specialist – Democratic Services

#### 1. **Apologies for Absence**

There were no apologies forwarded to the meeting.

#### 2. **Notes of last Steering Group Meeting held on 6 July 2015**

The notes of the last Steering Group meeting were agreed and noted.

#### 3. **Devon Member Skills Framework**

The Framework was broadly supported by the Group.

It was hoped that this could be used to provide a basis to assess the performance of those Members who were in roles which were entitled to receive a Special Responsibility Allowance.

#### 4. **2015 Member Induction Review and Draft Member Learning Needs Questionnaire**

In considering the content of the Member questionnaire, the Group was of the view that it should be short and contain no more than five questions. Following a lengthy discussion, the questions were suggested as follows:-

Q1: Could you please give positive and negative experiences of the recent Member Induction process?

Q2: What training and development opportunities would you like to be delivered to help you:

(a) within your current role(s)? and

(b) in any future challenges that you can foresee facing the Council?

Q3(a): Please give examples of the hard skills (e.g. IT and Finance) that you believe you have.

Q3(b): Please give examples of the soft skills (e.g. management and communication skills) that you believe you have?

Q4: Are there any particular Council roles that you aspire to be appointed to in the future?

## 5. **Draft Member Learning and Development Plan**

The contents of the latest draft Plan were noted by the Group. In so doing, the following specific points were raised:-

- Members welcomed the confirmation of the Council Procedures / Constitution training session on Tuesday, 29 September 2015;
- With regard to ongoing planning training sessions, a list of specific thematic areas was in the process of being identified and it was likely that the first training session would be held on the afternoon of the Planning and Licensing Committee meeting held on 10 November 2015;
- The merits of Members having one-to-one development interviews were debated. The Group was of the view that such interviews should not be imposed on Members. However, new Members, Hub Committee Members, Chairs and Vice-Chairs and other interested Members should be encouraged to partake in this process.

## 6. **Date of Next Meeting**

It was agreed that the next meeting of the Group would be held at **12.30pm** on **Tuesday, 20 October** in **Meeting Room 3**.

(Meeting commenced at 2.30 pm and concluded at 3.45 pm).

## OVERVIEW AND SCRUTINY (INTERNAL) COMMITTEE

### DRAFT ANNUAL WORK PROGRAMME – 2015-16

Date of Meeting	Report	Lead Officer(s)
12 January 2016	Joint O+S Draft Budget 2016/17 Consultation	Lisa Buckle
8 March 2016	Hub Committee Forward Plan	Kathy Trant
	T18 Programme Monitoring	Steve Jordan / Sophie Hosking
	Task and Finish Group Updates	
	Draft O+S Annual Report	Darryl White

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