

Public Document Pack

Mid Devon District Council

Homes Policy Development Group

Tuesday, 3 December 2019 at 2.15 pm
Exe Room, Phoenix House, Tiverton

Next ordinary meeting
Tuesday, 21 January 2020 at 2.15 pm

Those attending are advised that this meeting will be recorded

Membership

Cllr Mrs E Andrews
Cllr J Cairney
Cllr D Coren
Cllr L Cruwys
Cllr J Daw
Cllr R Dolley (Chairman)
Cllr C Eginton
Cllr Frank Letch
Cllr S Penny

A G E N D A

Members are reminded of the need to make declarations of interest prior to any discussion which may take place

- 1 **Apologies and Substitute Members**
To receive any apologies for absence and notice of appointment of substitutes.
- 2 **Declaration of Interests under the Code of Conduct**
Councillors are reminded of the requirement to declare any interest, including the type of interest, and reason for that interest, either at this stage of the meeting or as soon as they become aware of that interest.
- 3 **Public Question Time**
To receive any questions relating to items on the Agenda from members of the public and replies thereto.
- 4 **Minutes (Pages 5 - 10)**
Members to consider whether to approve the minutes as a correct record of the meeting held on 1 October 2019.

- 5 **Chairman's Announcements**
To receive any announcements that the Chairman may wish to make.
- 6 **Syrian Vulnerable Persons Resettlement Scheme (SVPRS) (Pages 11 - 14)**
To receive a report from the Group Manager for Housing Services providing an update to the Policy Development Group on the provision for housing for Syrian refugees in Mid Devon.
- 7 **Homelessness Strategy 2020 - 2023 (Pages 15 - 46)**
To receive a report from the Group Manager for Housing Services providing a review of the rough sleeping strategy.
- 8 **Performance and Risk Report (Pages 47 - 56)**
To receive a report from the Director of Operations providing Members with an update on performance against the Corporate Plan and local service targets for 21019/20 as well as providing an update on the key business risks.
- 9 **Financial update for the six months to 30 September 2019 (Pages 57 - 78)**
To receive and note a financial update report that was presented to the Cabinet on 21 November 2019. This report provides a financial update in respect of the income and expenditure so far in the year.
- 10 **Draft 2020/21 General Fund and Capital Budgets (Pages 79 - 98)**
To receive a report from the Deputy Chief Executive considering the initial draft 2020/21 budget and options available in order for the Council to set a balanced budget and agree a future strategy for further budget reductions for 2021/22 onwards.
- 11 **Draft 2020/21 Housing Revenue Account (HRA) Budget (Pages 99 - 112)**
To receive a report from the Deputy Chief Executive (S151) and Director of Operations considering the options available in order for the Council to set a balanced budget for 2020/21.
- 12 **HRA Medium Term Financial Plan (Pages 113 - 118)**
To receive a report from the Deputy Chief Executive and Director of Operations providing an estimate of the budget required for the operation of the Housing Revenue Account (HRA) from 2020/21 – 2023/24.
- 13 **Draft Corporate Plan 2020 - 2024 (Pages 119 - 124)**
To receive a report from the Chief Executive considering the first draft text of a new Corporate Plan for the council, which will replace the current plan (expiring in March 2020).
- 14 **DHC presentation**
To receive a presentation from the Group Manager for Housing outlining

how the Devon Home Choice system operates and for discussion to take place.

15 Identification of items for the next meeting

Members are asked to note that the following items are already identified in the work programme for the next meeting:

- Performance and Risk
- Financial Monitoring
- Revised General Fund budget for 2020/2021
- Revised HRA budget for 2020/2021
- Revised HRA Medium Term Financial Plan
- Compensation Policy
- Improvements to Council Properties Policy
- Allocations Policy and Resources
- Income Management Policy
- Housing Sector Update

Note: This item is limited to 10 minutes. There should be no discussion on the items raised.

Stephen Walford

Chief Executive

Monday, 25 November 2019

Anyone wishing to film part or all of the proceedings may do so unless the press and public are excluded for that part of the meeting or there is good reason not to do so, as directed by the Chairman. Any filming must be done as unobtrusively as possible from a single fixed position without the use of any additional lighting; focusing only on those actively participating in the meeting and having regard also to the wishes of any member of the public present who may not wish to be filmed. As a matter of courtesy, anyone wishing to film proceedings is asked to advise the Chairman or the Member Services Officer in attendance so that all those present may be made aware that is happening.

Members of the public may also use other forms of social media to report on proceedings at this meeting.

Members of the public are welcome to attend the meeting and listen to discussion. Lift access the first floor of the building is available from the main ground floor entrance. Toilet facilities, with wheelchair access, are also available. There is time set aside at the beginning of the meeting to allow the public to ask questions.

An induction loop operates to enhance sound for anyone wearing a hearing aid or using a transmitter. If you require any further information, or if you would like a copy of the Agenda in another format (for example in large print) please contact Sarah Lees on:

Tel: 01884 234310

E-Mail: slees@middevon.gov.uk

Public Wi-Fi is available in all meeting rooms.

MID DEVON DISTRICT COUNCIL

MINUTES of a **MEETING** of the **HOMES POLICY DEVELOPMENT GROUP** held on 1 October 2019 at 2.15 pm

Present

Councillors

R J Dolley (Chairman)
B Holdman, J Cairney, D R Coren, L J Cruwys, C J Eginton and
S J Penny

Apologies

Councillors

Mrs E M Andrews and Mrs I Hill

Also Present

Councillors

R M Deed and R L Stanley

Present

Officers

Andrew Pritchard (Director of Operations), Claire Fry (Group Manager for Housing), Catherine Yandle (Group Manager for Performance, Governance and Data Security), Mark Baglow (Group Manager for Building Services), Joanne Nacey (Group Manager for Financial Services), J P McLachlan (Principal Accountant) and Sarah Lees (Member Services Officer)

29 **APOLOGIES AND SUBSTITUTE MEMBERS**

Apologies were received from Cllr Mrs E Andrews and Cllr Mrs I Hill who was substituted by Cllr B Holdman.

30 **DECLARATION OF INTERESTS UNDER THE CODE OF CONDUCT**

No interests were declared under this item.

31 **PUBLIC QUESTION TIME**

There were no questions from the one member of the public present.

32 **MINUTES**

The minutes of the meeting held on 13 August 2019 were confirmed as a correct record and **SIGNED** by the Chairman.

33 **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman had the following announcements to make:

- The development at Turner Rise, Palmerston Park, Tiverton, had had its official opening on 26 September 2019. It was hoped tenants would be occupying the properties as soon as possible.
- He reminded the Group that there was a Landlord Networking Event at the Hartnoll Hotel the following day between 4pm and 9pm and all Members were welcome.

34 **PERFORMANCE AND RISK REPORT(00:04:38)**

The Group had before it, and **NOTED**, a report * from the Director of Operations providing Members with an update on performance against the Corporate Plan and local service targets for 2019/20 as well as providing an update on the key business risks.

The contents of the report were briefly outlined and consideration was given to the average number of days to re-let a property having a target of 14 days. It was explained that this was a challenging target but the Council continued to remain in the top quartile for performance. There was a fixed resource available and during school holidays there had been some issues but overall 14 days, or near about, was achievable.

Note: * Report previously circulated; copy attached to the signed minutes.

35 **FINANCIAL MONITORING (00:08:31)**

The Group received, and **NOTED**, a verbal update from the Group Manager for Financial Services summarising the income and expenditure position in the year to date.

Key highlights within the update including the following:

- There was still predicted to be a deficit against the budget at the year end. Figures for July indicated this to be in the region of £378k.
- The main area providing the variance was in Planning. Since it was a demand led service it was very reliant on applications coming forward. Should they do so within the remaining months of the financial year, the position could improve significantly.
- The position regarding General Fund Housing had not changed since June.
- A favourable forecast for the Housing Revenue Account was still predicted. Some of this related to a number of vacant posts.
- The Group were pleased that the Economy PDG had recommended that the Council retain car parking overpayments and recognised that it would have cost more to administer the overpayments than the amount overpaid in the first place.

36 **COUNCIL TENANCY RENT DEBIT FREQUENCY (00:12:07)**

The Group had before it a report * from the Group Manager for Housing Services reviewing the weeks over which rent was charged on a yearly basis.

The officer outlined the contents of the report and made reference to the following key factors:

- 385 tenants were in receipt of Universal Credit. Some of these tenants were in a vulnerable position having to learn how to manage their money which was paid directly to them on a monthly basis.
- The Tenants Together Group had been consulted on the proposed change from 48 weeks to 52 weeks and there had been no feedback from them.

- This was just a proposal at this stage and if approved by the Cabinet the Housing Act 1985 would require the Council to conduct a full consultation with the whole tenant base before any changes could be implemented.

Consideration was given to the following:

- The average rental costs of council owned properties depending on the number of bedrooms.
- Tenants would be encouraged to move to direct debit payments where they had not already done so.
- Tenants had an obligation to pay their rent regardless of whether or not they are in receipt of Universal Credit.

RECOMMENDED to the Cabinet that Council tenants be charged rent over 52 weeks each year and not 48 as currently.

(Proposed by Cllr J Cairney and seconded by Cllr B Holdman)

Note: * Report previously circulated; copy attached to the signed minutes.

37 **UPDATE ON PROGRESS RELATING TO THE REVIEW OF THE HOMELESSNESS STRATEGY (00:30:19)**

The Group had before it, and **NOTED**, a report * from the Group Manager for Housing Services stating that the Homelessness Strategy was being currently reviewed.

The following was highlighted within the report:

- The Housing Services department were seeing a lot more people through the door presenting themselves as homeless.
- The Homelessness Reduction Act 2017 required the Council to conduct a full data review and stated that it must work closely with tier one authorities such as Devon County Council.
- The existing Homelessness Strategy was extended to the end of December 2019 under delegated powers by the Cabinet Member for Housing to allow a thorough review of the Strategy to take place.

Discussion took place with regard to:

- Whether homelessness was worse in the towns? It was explained that homelessness was just as acute in the rural areas but the agencies providing support were probably located in the towns. Just because a large number of homeless people visited CHAT for example in Tiverton that didn't mean there was a bigger problem in Tiverton than anywhere else.

Note: * Report previously circulated; copy attached to the signed minutes.

38 **DEPOSIT AND ADVANCE RENT SCHEME (00:35:46)**

The Group had before it, and **NOTED**, a report * from the Group Manager for Housing briefing Members on the Deposit and Advance Rent Scheme (DARS). The contents of the report were outlined with the following key areas being highlighted:

- This scheme was one of the tools used by the Housing Service to manage homelessness and it was a valuable resource.
- For some tenants their previous history prevented them from accessing bank loans.
- The scheme assisted in reducing the amount of money the Council needed to spend on temporary accommodation and was sometimes a very cost effective solution all round.

Consideration was given to:

- This being a loan like any other loan and robust measures were taken to recover outstanding monies.
- It was confirmed that the loan was considerably cheaper than the cost of temporary accommodation for a tenant.
- The circumstances of everybody who presented as homeless were investigated. Housing options advice was given whenever possible, DARS being one option.
- Last year central Government had provided some funding to local authorities to help support the council with rough sleepers.
- Because the numbers of homeless people were increasing work in this area had also increased within the Housing Service.
- Is someone applying for social housing had an outstanding debt to the Council, they would be asked to agree an arrangement for repayment otherwise their housing application could be excluded from the housing register.

Note: * Report previously circulated; copy attached to the signed minutes.

39 **REVIEW OF THE HOUSING SERVICE HARASSMENT POLICY (00:50:04)**

The Group had before it a report * from the Group Manager for Housing reviewing the Housing Service's Harassment Policy.

The content of the report was outlined with the following key factors being highlighted:

- It was important to be aware of the regulations in relation to this issue.
- At a recent meeting of the Tenants Together Group there had been a lot of discussion around the issue of 'Equality Impact Assessments' and as a result more emphasis would be placed on this section of PDG policies in the future.
- The Harassment Policy is related to the ASB policy and procedures. Mediation is a key part of the Council's strategy to manage low level nuisance but officers did not feel that it was a tool which could be used in a serious case such as that of harassment..

A brief discussion took place regarding the very serious nature of harassment and that a true definition of it would include reference to the victim fearing for their safety. It was not just about throwing grass clippings over a garden fence, for example.

RECOMMENDED to the Cabinet that the changes identified in the tracked changed Harassment Policy be approved.

(Proposed by Cllr D R Coren and seconded by Cllr J Cairney)

Note: * Report previously circulated; copy attached to the signed minutes.

40 **REVIEW OF HOUSING SERVICE HOARDING POLICY (01:00:32)**

The Group had before it a report * from the Group Manager for Housing Services reviewing the Housing Service's Hoarding Policy.

The contents of the report were outlined with the following key factors being highlighted:

- There had only been minor changes to the policy and these were tracked for ease of reference.
- People who hoarded were sometimes very vulnerable and often there were mental health issues. However, the Council had a duty to assess a situation from a health and safety perspective as well as supporting the tenant who was hoarding. The possibility of fire was a particular concern as was being able to get to parts of a property to conduct necessary repairs.
- If a situation was particularly bad, for example, if rodents were an issue, then legal action would be pursued.
- Housing officers worked very closely with the Building Services team to monitor and maintain affected properties.

RECOMMENDED to the Cabinet that the tracked changes in the revised Hoarding Policy be approved.

(Proposed by Cllr B Holdman and seconded by Cllr D R Coren)

Note: * Report previously circulated; copy attached to the signed minutes.

41 **REVIEW OF THE HOUSING SERVICE PETS AND ANIMALS POLICY (01:07:28)**

The Group had before it a report * from the Group Manager for Housing Services reviewing the Housing Service's policy in relation to pets and animals.

The contents of the report were outlined with particular reference to the following:

- There was the potential for pets and animals to cause a real issue for tenants, for example, a barking dog, chewed door frames and rotting floor boards.
- Tenants needed to be aware of the policy and have a full understanding of what the boundaries were.
- The Housing Service did understand that people get very attached to their pets.
- The policy provided clear guidance to officers dealing with these issues.

A brief discussion took place regarding the policy clearly stating that a maximum of two cats or dogs were allowed, the Group felt that it was important the Council adhered to this and took action when the policy was breached.

RECOMMENDED to the Cabinet that the revised changes to the Pets and Animals Policy be approved.

(Proposed by the Chairman)

Note: * Report previously circulated; copy attached to the signed minutes.

42 **HOUSING UPDATE REPORT (01:13:01)**

The Group had before it, and **NOTED**, a briefing paper * from the Group Manager for Housing Services providing information on the latest developments relating to social housing.

Note: * Briefing paper previously circulated; copy attached to the signed minutes.

43 **IDENTIFICATION OF ITEMS FOR THE NEXT MEETING (01:19:23)**

In addition to the items already listed for the next meeting the following was requested to be on the agenda:

- **Devon Home Choice** (how it operated, what were the difficulties, examples of where it hadn't worked). Demonstration to be provided to the Group.
- **Syrian Vulnerable Persons Resettlement Scheme** – update.
- **Housing Benefit** – update, including the roll out of Universal Credit, what were the caps, the limits, how much was being claimed etc?

(The meeting ended at 3.45 pm)

CHAIRMAN

HOMES POLICY DEVELOPMENT GROUP 3 DECEMBER 2019

SYRIAN VULNERABLE PERSONS RESETTLEMENT SCHEME (SVPRS)

Cabinet Member(s): Councillor Simon Clist
Responsible Officer: Mrs Claire Fry, Group Manager for Housing Services

Reason for Report: To provide an update to the Policy Development Group on Provision of Housing for Syrian Refugees in Mid Devon

RECOMMENDATION: That the report be noted

Financial Implications: The Council recharges Devon County Council for the work required to deliver housing management services to those housed by the scheme. The Resettlement Co-ordinator working with Refugee Support Devon is also funded through the scheme. The Council's duties associated with homelessness are funded through the General Fund. The arrangement via a lettings agency means the Housing Options team will not be directly involved. So ensuring the commitment of available resources to statutory obligations relating to the prevention and management of homelessness.

Legal Implications: There is no statutory duty for the Council to participate in the resettlement programme.

Risk Assessment: The Council is contracting with a lettings agency to deliver a third property for use by refugees as part of the Syrian Vulnerable Persons Refugee Scheme. This agency is wholly owned by another local authority and this provides a large degree of assurance that landlord and tenant relations will be well managed.

Equality Impact Assessment: Single people are not housed due to the fact that it was agreed that the Council would work with families. A household may include individuals of different ages and different generations. Those housed through the scheme may experience isolation as their religious and cultural needs cannot necessarily be met in rural areas. The support provided by Council Officers and the Refugee Support worker is designed to mitigate the risk of this.

Relationship to Corporate Plan: The Council is working in partnership with Devon County Council and other agencies in connection with this scheme. This work involves support to ensure safeguarding and protection for vulnerable people

Impact on Climate Change: Whilst Officers will endeavour to plan their work in advance in order to minimise environmental impact, there will be times when they have to visit refugee families in order to respond to a pressing matter. In such cases, this work must take priority and will involve an unplanned journey to and from a property which cannot necessarily be organised to coincide with other visits elsewhere within the District.

1.0 Introduction/Background

- 1.1 Local authorities in Devon have agreed to work together to support the Government's pledge to bring vulnerable refugees who have fled Syria due to conflict to the United Kingdom, sought refuge in countries around Syria and who are registered with the United Nations High Commission for Refugees (UNHCR).
- 1.2 The UNHCR identifies individuals and families who are particularly vulnerable for medical and other reasons.
- 1.3 The Government's resettlement programme provides funding to Councils for housing and other resettlement costs including English classes, interpreting and help into work.
- 1.4 In Devon, it was agreed that second tier Councils should work in partnership with the County Council, which would lead on work relating to the programme.
- 1.5 At the meeting of the Policy Development Group (PDG) on 17 January 2017, the Head of Housing and Property Services sought agreement to two recommendations relating to the Devon County Council led resettlement programme for refugees.
- 1.6 The PDG agreed to recommend to the Cabinet that:
 - 1.6.1 Up to 5 refugee families are housed / supported, as and when properties come forward, for the duration of the scheme providing the costs are met by the Devon County Council (DCC) led resettlement programme and that this be reviewed four months after the arrival of the first family (Note: the programme was to be of 4 years duration at that point).
 - 1.6.2 These refugee families be accommodated in Private Sector accommodation. However, further consideration must be given to the need for support (help) which would involve a minimum of weekly visits by one or more officers and also an exit strategy involving the landlord, the Council and DCC.
- 1.7 Currently, two refugee families have moved into the District under the SVPRS and their tenancies are managed by Officers in our Housing Options team.

2.0 The Provision of an Additional Property within the SVPRS in Mid Devon

- 3.0 Another landlord came forward some months ago to make a property in Crediton available for refugees. However, issues relating to the resourcing of work to deliver the statutory obligations arising from homelessness legislation precluded the Housing Options team from taking on any additional duties.
- 4.0 The Communities team at DCC co-ordinates the SVPRS work across the County. Following discussions with this team and the other local authorities in Devon which participate in the scheme, agreement was reached relating to a new model of management for any additional properties coming into the scheme in Mid Devon.
- 5.0 Another local authority has set up a lettings agency which provides a full property management service to private landlords, for a fee. It has been agreed that the Council should contract with this lettings agency in connection with the third property which has been offered to the SVPRS in Mid Devon.
- 6.0 In such cases, any management fees can be claimed back through the scheme managed by DCC.
- 7.0 The lettings agency has been liaising with the landlord of the third property and has undertaken a property inspection. They will be sending the landlord a sole agency agreement for signature in the near future. After that, they will be contacting the Home Office with a view to arranging for a refugee family to move into the property during January 2020.
- 8.0 We will monitor the outcomes of this with a view to using the same management arrangements if any further properties are identified which can be used to support the SVPRS.

9.0 Recommendation

- 10.0 Members of the PDG are recommended to note the report.

Contact for more Information: Mrs Claire Fry, Group Manager for Housing Services, tel: 01884 234920, email: cfry@middevon.gov.uk

Circulation of the Report: Councillor Simon Clist

List of Background Papers:

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HOMES POLICY DEVELOPMENT GROUP 03 DECEMBER 2019

DRAFT HOMELESSNESS STRATEGY 2020-25

Cabinet Member(s): Councillor Simon Clist
Responsible Officer: Mrs Claire Fry, Group Manager for Housing Services

Reason for Report: The existing homelessness and rough sleeping strategy requires review

RECOMMENDATION: That the PDG recommends to Cabinet that the Policy be adopted as amended

Financial Implications: The prevention and management of homelessness is accounted for within the general fund and there are budgets set aside to support this work. The Ministry of Housing, Communities and Local Government (MHCLG) has provided additional funding to the Council in relation to this in recent years but this funding is not guaranteed going forward. The Council has recently been involved in successful bids for monies from Ministry of Housing, Communities and Local Government associated with initiatives to reduce rough sleeping

Legal Implications: In accordance with the Homelessness Act 2002, the Council must undertake a review of homelessness in the District on a five yearly basis and is required to have a homelessness strategy. The existing strategy covered the period from 2013 to 2018 and was extended by delegated decision made by the Cabinet Member for Housing to run until the end of 2019. The new draft strategy also includes actions associated with rough sleeping.

Risk Assessment: Failure to agree a new homelessness strategy for the period from 2020 to 2025 before the end of 2019 would result in the Council failing to meet a statutory obligation arising from the Homelessness Act 2002. Non-compliance with relevant legislation could result in a judicial review. There is a reputational risk associated with this and the resources needed to respond to such a challenge would be extensive.

Failure to meet statutory obligations relating to the prevention and management of homelessness could result in judicial review which could prove costly. Such an outcome also has the potential to impact the reputation of the Council in a negative way.

Equality Impact Assessment: The Council has a number of statutory obligations arising from the Homelessness Reduction Act 2017 and therefore all those presenting as homeless to the Council must be assessed regardless of the section of society from which they come to see whether or not the duties apply. Failure to treat homelessness clients fairly could result in judicial review. The Council requests diversity information from clients but this is not always forthcoming.

Relationship to Corporate Plan: Work to prevent homelessness is a priority for the Council

Impact on Climate Change: Officers sometimes have to respond to emergencies associated with the prevention and management of homelessness. In such cases, safeguarding concerns will take priority in order to minimise risk and it is accepted that the ability to manage such issues effectively may have an environmental impact which would not occur if work can be planned in advance and managed in a more co-ordinated way.

1. Background

- 1.1 The existing homelessness strategy originally covered the period from 2013 to 2018 and this was extended earlier this year because resourcing issues had impacted the review of this. The Cabinet Member for Housing made the delegated decision on 10 July 2019 and the relevant page on the Council's website was updated to explain that the existing strategy has been extended until the end of 2019.
- 1.2 Since the last review of homelessness in the District in 2013, the Council's approach to the prevention and management of this area of work has changed to ensure compliance with the Homelessness Reduction Act 2017. This legislation was implemented with effect from April 2018 and the Council now has a number of legal obligations which were designed to increase the amount of work undertaken to prevent homelessness occurring. The revised draft strategy contains more information about the requirements of the new legislation.
- 1.3 The revised draft homelessness and rough sleeping strategy contains three main sections; a review of homelessness in Mid Devon, a discussion of the challenges and an identification of strategic aims and priorities. It also contains a detailed action plan. Progress reports relating to projects contained within this will be provided to the Policy Development Group (PDG) on a regular basis. The Housing Options team has responsibility for this work and will be delivering the actions required to address the issues identified.
- 1.4 There is a link to the housing pages of the Council's website within the revised draft strategy which will be activated once the revised draft strategy is adopted. This link directs readers to the full review of the evidence relating to homelessness in Mid Devon and the data held there will be updated quarterly. This will ensure that the information is more relevant and can be used to inform the further development of our homelessness strategy. There is another link to the most recent review of the local housing market undertaken by the Local Government Association (LGA, 2019).
- 1.5 A consultation with stakeholders informed the review of the homelessness strategy. Officers in the housing options team were consulted, as were other colleagues within the Council. A meeting for Councillors was held on 4 March 2019 and external stakeholders were invited to another meeting which took place on 8 March 2019.
- 1.6 The revised draft homelessness and rough sleeping strategy was circulated to local partners at the beginning of November 2019 and one responded saying that they felt that it was a good strategy. Another partner told us that the document set out our strategy very well. Their feedback included a suggestion that the strategy had an overarching aim relating to the combat of homelessness by 2022.

- 1.7 The Council's response to this suggestion was: "The Council is working to support the Government's aim of eliminating street homelessness, halving it by 2022 and eliminating it by 2027". Reference was made to the work undertaken by the Navigators, supported by Government funding streams, which seems to have had an impact with the recent count showing a significant reduction in the number of people sleeping rough in the District over the last year. In addition, it was noted that our strategy has to be realistic and that since the suggested aim is likely to be unachievable, a decision had been taken not to accept this recommendation.
- 1.8 In response to feedback about the targets contained within the action plan in the draft revised strategy, the Council responded with an acceptance that the action plan needs to be reviewed and that achievable targets are required. It is hoped that the commitment to regular reports contained within the draft revised strategy will facilitate the drafting of work-plans, which set out the projects required to deliver each part of the action plan with relevant dates. The agency was advised that the reports associated with this would be published in advance of each meeting of the Homes Policy Development Group as part of the agenda.

2. The Data Review

- 2.1 As reported to the last meeting of the PDG, the evidence has revealed some issues associated with a lack of affordable accommodation in the District. The cost of purchasing a home can be prohibitive for some local people and rents in the private sector are also relatively high (LGA, 2019).
- 2.2 The Council works in partnership with other local authorities and other registered providers of social housing to assess housing need and there is reference in the draft revised strategy to this. A reference to the data source for relevant evidence has been provided.
- 2.3 The Housing Service uses an electronic system to manage homeless cases and some interesting trends have been identified using reports created using the data held. The number of people presenting as homeless is increasing with a rise of 70% following the implementation of the Homelessness Reduction Act 2017 at the beginning of April 2018.
- 2.4 As reported to the last meeting of the PDG, the majority of those approaching the Council for assistance because they are homeless or at risk of homelessness is now made up of those who have lost a tenancy. The loss of a tenancy in the private rented sector is increasing as a trigger for homelessness but those who have lost a tenancy in the social rented sector also make up a significant number of those approaching for assistance.
- 2.5 Unfortunately, the number of cases where homelessness has been successfully prevented or relieved is decreasing. In addition, the use of temporary accommodation has increased but this is due to the provisions of the Homelessness Reduction Act 2017 which introduced more statutory obligations to those who approach the Council as homeless. The period over which local authorities are expected to work with homeless people or those who may be at risk of homelessness has been extended and this is having an impact.

- 2.6 As part of the review, it was also noted that working with rough sleepers can be difficult in a rural District such as Mid Devon. The distances involved mean that it can be challenging to identify and support those sleeping outside.
- 2.7 Other challenges identified include a lack of short-term temporary accommodation in the local area for use by homeless households. The Council's housing options approach is an important strand of our strategy to tackle this and Officers will offer loans via the Deposit and Advance Rent Scheme (DARS) in order to assist clients into homes in the private sector thereby avoiding the need to accommodate them in temporary accommodation for long periods.
- 2.8 Finding suitable homes for those vulnerable clients with support needs can also be difficult and this is why the Council places great importance on partnership working. Loans made through the DARS can also be important in cases where someone is unable to access the private rented sector due to the fact that they have a poor credit history which means that it is unlikely that they would be able to obtain the necessary finance to enable them to take on a new tenancy.

3. The Draft Homelessness & Rough Sleeping Strategy

- 3.1 In the revised draft strategy, four key priorities have been identified.
- 3.2 These are listed below with a brief description of the key actions required to address each.

3.3 Minimising rough sleeping

- 3.3.1 During 2018/19, the Council was able to obtain funding from central government to support work to minimise rough sleeping. Two funding streams were obtained working in partnership with other Devon authorities but this funding is time-limited. Although the Council has been invited to bid for funding from the Rough Sleeping Initiative for a further twelve months, a need to identify other funding streams to continue this work should grant funding not be available in future years is seen as a priority.
- 3.3.2 The Council has responsibilities to rough sleepers during periods of severe weather and has agreed an approach to this which is replicated across Devon and Cornwall. The need to further develop this approach to the provision of night shelter accommodation for rough sleepers during the winter months is seen as another important strand of the homelessness strategy going forward.
- 3.3.3 Working with rough sleepers can be resource intensive because of the highly complex nature of their needs. For this reason, working in partnership to improve outcomes for those who are sleeping rough or at risk of it is seen as priority action.

3.4 Maximising prevention activities & outcomes

- 3.4.1 In accordance with the provisions of the Homelessness Reduction Act 2017, the Council must do what it can to prevent homelessness and therefore a key priority must be to seek to continue to provide or facilitate support for all households at risk of homelessness. Due to the shortage of temporary accommodation, it is felt

that there is a particular need to ensure that there is sufficient accommodation available to all priority households that are unable to find their own solution.

3.4.2 For this reason, a need to engage with local landlords has been identified. Associated with this, is a requirement to offer support to enable these landlords to help their tenants to better sustain their tenancies. It is hoped that landlords will be more inclined to offer their accommodation to more vulnerable people if they know that the tenancies are less likely to fail. Tenancy failure can result in increased void costs, unpaid arrears of rent and tenant damage; by intervening at an earlier stage, it is hoped that the Council can prevent this happening. Furthermore, the improved offer of support should also encourage new landlords to make more accommodation available to our clients.

3.4.3 Partnership working enables the Council to benefit from opportunities to undertake joint working initiatives, share best practice and training and is a key theme throughout the revised draft homelessness strategy.

3.5 Increasing accommodation options

3.5.1 Given the shortage of affordable homes in the District as evidenced by the review of homelessness, increasing the supply of homes available to those in housing need is seen as a key priority. In addition, it is important to ensure that any homes available are of a good standard and fit for purpose. For that reason, the Housing Options team must work in partnership with other professionals to ensure that those with health needs who are in housing need due to the fact that their home is unsuitable, are aware of the potential to adapt their home, as necessary. In such cases, potential homelessness can sometimes be relieved by ensuring that any necessary adaptations are made.

3.5.2 In addition, a review of the procedures relating to the DARS has been identified as a priority given that loans can also be used effectively to relieve homelessness.

3.6 Improving health & wellbeing by supporting those with complex needs

3.6.1 The Council often works with vulnerable people who have a wide range of complex needs. Finding suitable accommodation for such people can be challenging and it can be difficult to ensure that their support needs are met. Partnership working is viewed as a key priority to deliver the aim of this particular strand within the revised draft strategy and to help such people to better sustain their tenancies. In particular, a number of actions have identified which should strengthen the links with local partners ensuring that the outcomes for those who are vulnerable are improved.

4. Recommendation

4.1 Members are asked to agree to recommend that the Cabinet adopts the revised draft homelessness strategy for 2020-25.

Contact for more Information: Mrs Claire Fry, Group Manager for Housing Services, telephone 01884 234920, email: cfry@middevon.gov.uk

Circulation of the Report: Cabinet Member seen and approved [yes/no – Councillor Simon Clist, Cabinet Member for Housing], Leadership Team seen and approved [yes/no]

List of Background Papers:

LGA (2019), Understanding Local Housing Markets, Local Government Association, 29 July 2019

<https://www.local.gov.uk/understanding-local-housing-markets>

Devon Home Choice, Quarterly monitoring report, April 2019

<https://www.devonhomechoice.com/useful-information-0>

Draft Homeless Prevention & Rough Sleeping Strategy 2020-2025

DRAFT V4





Foreword

Councillor Simon Clist, Cabinet Member for Housing

I am very pleased to introduce the Council's homelessness prevention and rough sleeping strategy for the period 2020 to 2025.

A review of homelessness and the likely future levels of it in our District has informed the strategy. Evidence gathered during the review of relevant data is available separately using the following link to relevant pages on the Council's website:

Add in link TBC

We have also reviewed the data regarding the local housing market which has been produced by the Local Government Association:

LGA (2019), Understanding Local Housing Markets, Local Government Association, 29 July 2019

<https://www.local.gov.uk/understanding-local-housing-markets>

Homelessness can have a major impact on the lives of the individuals concerned; their health, well-being, learning and employment may be affected by the lack of stable accommodation. Our strategy sets out how we will address rough sleeping. However, it also contains other objectives. Homelessness is a complex issue and the vast majority of those who approach the Council as homeless are not sleeping outside. There are many reasons as to why someone may be homeless; for example, they may be living in private rented accommodation where their tenancy is about to end through no fault of their own; or facing eviction from their home due to an inability to pay the mortgage or the rent.

As part of the work to develop the strategy, stakeholders were consulted and their feedback was invaluable in helping us to agree the four objectives which are set out below:

1. Minimising rough sleeping
2. Maximising prevention activities & outcomes
3. Increasing accommodation options
4. Improving health & wellbeing by supporting those with complex needs

In recent years, we have developed our approach to the prevention and management of homelessness and I am proud to note that the Council is delivering a homelessness prevention service which compares well with that of other local authorities nationally.

During 2018/19, the Council was involved in two successful bids to secure funding from Central Government to support work with rough sleepers, or those at risk of rough sleeping. More information about the initiatives we have established using these grant monies is included in the strategy. Unfortunately, this funding is time limited and at the time of writing, is only available for 2019/20 meaning that the Council has no certainty about the availability of further funding to support this work in the future, after 31 March 2020, which is a source of some concern.

However, I am hopeful that the actions set out in this plan will help to address issues identified. We have identified the problems and are committed to working in partnership with other agencies, as appropriate, to prevent and manage homelessness wherever possible.

Contents

1 Review of homelessness and rough sleeping in Mid Devon

2 Challenges in Mid Devon

- Rough sleeping
- Lack of short-term temporary accommodation
- High demand for affordable accommodation
- Access to the private sector
- High support needs

3 Strategic aims and priorities

1. Minimising rough sleeping
2. Maximising prevention activities & outcomes
3. Increasing accommodation options
4. Improving health & wellbeing by supporting those with complex needs

4 Monitoring & Reviewing the Strategy

Consultation

The review of the strategy was informed by consultation with stakeholders including Members of the Council, Officers, advice agencies and other partners including the Police.

Homelessness and Rough Sleeping in Mid Devon

Homelessness Reduction Act 2017 – overview

The [Homelessness Reduction Act 2017](#) was implemented with effect from April 2018 and brought about significant changes to the way that homelessness must be prevented and managed.

The existing legislation arose from the [Housing Act 1996](#) which was amended by the [Homelessness Act 2002](#). In accordance with this, anyone who was homeless could approach the local authority for advice. The Council was obliged to provide accommodation to those in priority groups which included those who were vulnerable due to age or medical issues, or those with dependent children. There was no obligation to provide accommodation to those who did not fall into one of the priority groups.

In accordance with the provisions of the Homelessness Reduction Act 2017, the Council is duty bound to make investigations if someone at risk of becoming homeless approaches it for assistance. If it is established that there is a threat of this, then the Council has a statutory obligation to work with that person for 56 days in order to prevent them from becoming homeless. This may include helping them to find alternative accommodation.

After the expiry of the 56 days, and if the household becomes homeless, the Council is obliged to work to relieve the homelessness for a further 56 days. The new legislation was introduced with the aim of ensuring that more prevention work is undertaken and therefore there is a duty on local authorities to work with clients to develop personal housing plans. These plans set out what both parties need to do to ensure that the client moves on to settled accommodation. These plans may include reference to the liaison required between the Council and the existing landlord, for example. However, they may also include actions for the client such as the need to contact local lettings agencies in order to find suitable alternative accommodation in the private sector. The Council may end the duty to the client if they fail to do what is required of them in line with the personal housing plan.

The Homelessness Reduction Act 2017 also introduced a “[duty to refer](#)” which means that certain external agencies must refer people or households which they believe to be at risk of homelessness. In accordance with this, registered providers of social housing will refer cases where possession action is pending or where there is an eviction date in the diary to enable the Housing Options team to work to prevent that homelessness.

The new legislation also introduced more opportunities for homeless clients to appeal decisions made in relation to their cases.

The new legislation has introduced some significant challenges which have had an impact upon resources. In particular, significant case work arises as a result of the Duty to Refer, which involves other agencies notifying the team about cases where there is a concern. In addition, the development of [Personal Housing Plans](#) is time-consuming which can impact upon the number of active cases which a Housing Options Officer can manage.

The Housing Market in Mid Devon

The cost of purchasing a home in Mid Devon is relatively high. During 2018, the average house price in Mid Devon was £235,000. This represented more than 8 times the average local annual income.

High private rents in Mid Devon also appear to be an issue. The overall median private rent was £625, which was approximately the same as the England average of £690 whilst earnings are less than the England average.

Housing Need in Mid Devon

The Council works in partnership with the other local authorities and providers of social housing in Devon to assess housing need. Housing applicants are banded in accordance with the assessment framework with A being the band of greatest need, and E being the band of no housing need.

The Devon Home Choice website www.devonhomechoice.com contains information relating to housing need across Devon on the useful information page.

It should be noted that a notable demand for 1 bedroom accommodation in the District is evident. In addition, finding suitable accommodation for larger families in housing need can be problematic given the lack of larger homes in Mid Devon..

The Council's own stock is impacted by sales arising from the Right to Buy and interest in the scheme continues with 67 sales in the period from April 2016 to March 2019.

In Mid Devon, the Council is the largest provider of social housing but a number of other social providers also have homes in the District. During 2018/19, 270 homes designated as being for those with general need were let by all providers together with 40 accessible homes for people who are vulnerable due to age or other need.

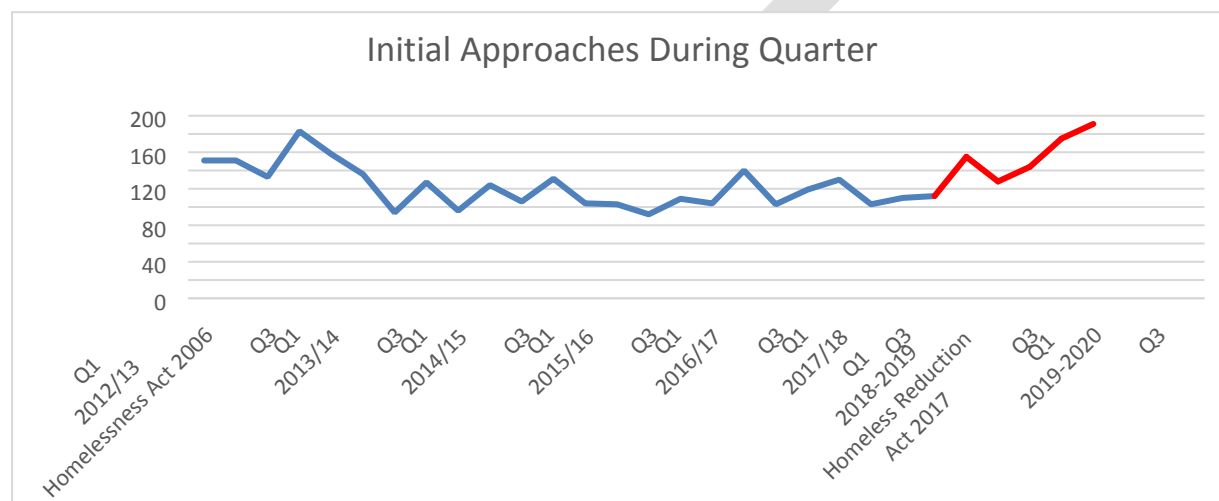
High demand for social housing is set to continue because many households which appear to be adequately housed experience affordability issues. The rural nature of the District means that some young people struggle to afford to stay in their local village close to family and friends because they cannot find suitable affordable accommodation there. Those in housing need may wait a long time for suitable alternative accommodation. For example, a household in Band C requiring 3 bedroom accommodation will have to wait 45 weeks on average before successfully bidding for

a home; and a household in Band D requiring a 1 bedroom home will have to wait 63 weeks on average.

Households Approaching the Council for Help

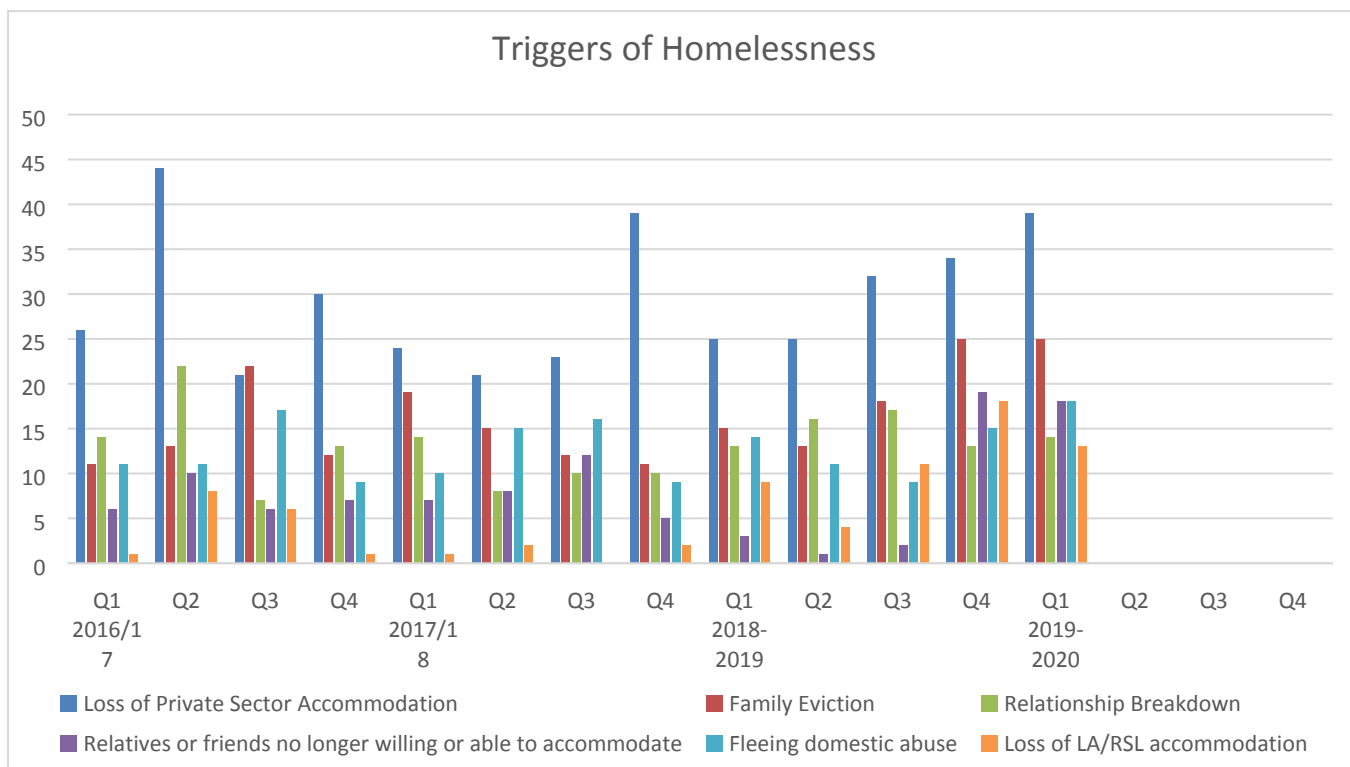
This data review reflects the position as at the end of June 2019.

Since the introduction of the Homeless Reduction Act 2017, the number of applicants presenting as homeless has increased by 25% rising from 455 in 2017/18 to 602 in 2018/19. In 2019/20, the number increased to 191, an increasing trend set to continue.



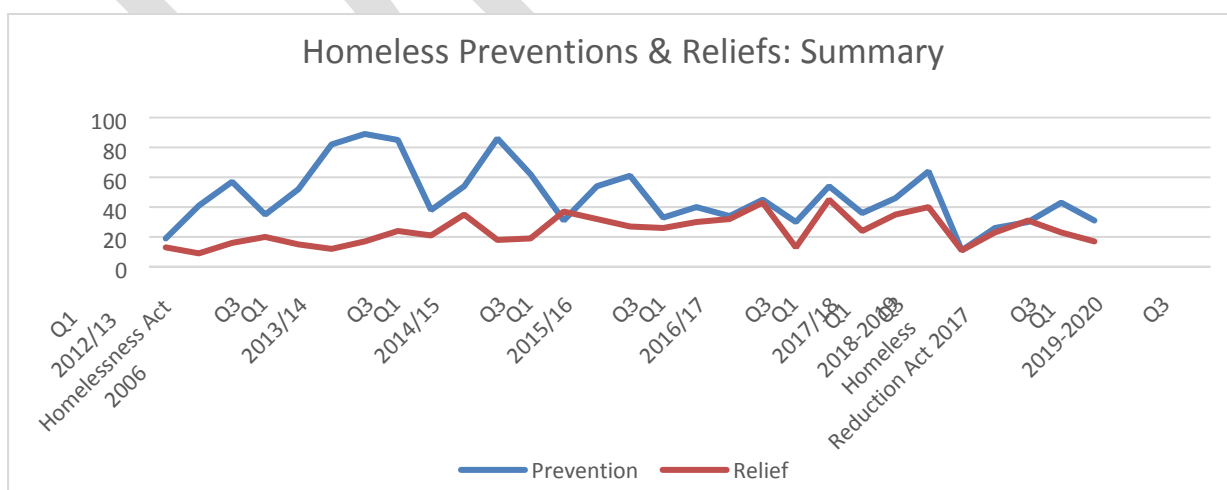
Triggers of homelessness in Mid Devon

The main cause of homelessness during 2018/19 arose from the loss of a home in the private rented sector. However, there has been an increase in the number of approaches from those being evicted by social landlords in the period from April 2018 and this is becoming a significant cause of homelessness in Mid Devon. Those who have been asked to leave by family and friends have also made up a significant proportion of those who have presented as homeless in recent years, which is why mediation is seen as an important tool in the prevention of homelessness.



Homeless Prevention

The Homeless Reduction Act 2017 introduced a number of duties for local authorities, which included those relating to [prevention](#) and [relief](#). The number of cases where homelessness has been successfully prevented or relieved has reduced over the past 12 months due to the way the Government records homelessness statistics.



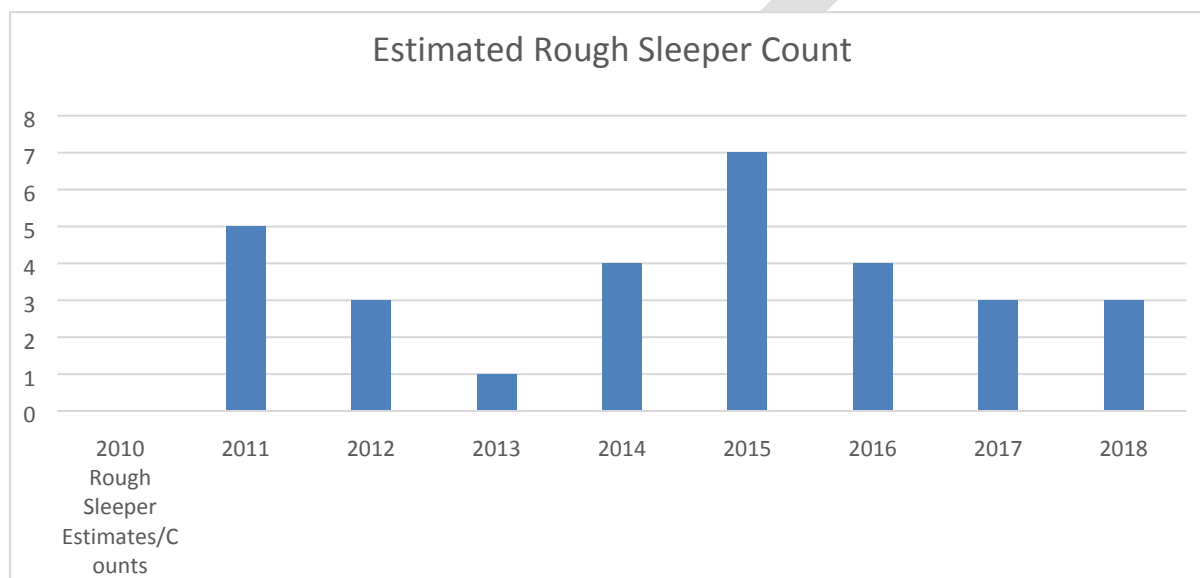
Budgetary implications arising from the need to accommodate more households on a temporary basis drive the need to ensure that Officers are operating a dynamic system

of management relating to temporary accommodation in order to minimise expenditure.

Rough sleeping

The [Ministry for Housing, Communities and Local Government](#) has set a target to reduce rough sleeping by half by 2022 and to end it completely by 2027.

The Government co-ordinates a rough sleeper count every November and in 2018 3 rough sleepers were identified in Mid Devon.



Targeted work with rough sleepers has resulted in more being identified in the District and it is therefore anticipated that the number counted during November 2019 will be larger than previously.

The roll out of [Universal Credit](#) (UC) continues. As at 31 July 2019, the Council had 769 customers in receipt of this benefit, which was introduced to replace 6 other benefits for working age people. These benefits include Housing Benefit. The [Department of Work and Pensions](#) (DWP) has estimated that 3 million people will be in receipt of UC nationally by the end of 2019.

The increasing trend associated with eviction from rented accommodation across all tenures suggests that welfare reform is having a significant impact on the ability of tenants to pay the rent. The increasing commercialisation of some registered providers of social housing is also impacting the work of the Council with regard to the prevention and management of homelessness because some are now undertaking pre-tenancy affordability assessments which mean that some housing applicants are having their bids for homes bypassed on tenancy sustainability grounds.

Economic uncertainty must also be taken into account and it is anticipated that fuel prices may increase following recent disputes in the Middle East. In a rural District such as Mid Devon such increases can have a detrimental impact upon the poorest in

society due to the increasing cost of travel to school and work, increased food prices and other expenditure.

Furthermore, it is anticipated that the economic uncertainty associated with the probable departure of the United Kingdom from the European Union could impact the private rented sector and the Council needs to prepare for a potential loss of homes in the District if interest rates rise.

Challenges in Mid Devon

Mid Devon is a predominantly rural area and this delivers some significant challenges in terms of service delivery. It is a large District and the distances involved make it more difficult to support those **sleeping rough** in outlying areas. In addition, the nature of the District means that it can be hard for clients to access appropriate services. For example, the cost of travel may be prohibitive; however, a lack of awareness could also be significant given that specialist services may be located in neighbouring areas.

There is **a lack of suitable short-term temporary accommodation** in the area. Some Council homes are leased to provide temporary homes but the numbers are not sufficient to alleviate the need for more short-term accommodation.

Finding suitable accommodation for those who are homeless or at risk of homelessness is a challenge in Mid Devon. There is **high demand for affordable accommodation** and finding homes in the social, private and supported sectors can be very difficult due to a shortage of homes which those on low incomes can afford.

The ability to access a home in the private sector can be difficult for vulnerable people, especially those with a history of debt. Private landlords, especially in rural areas, are sometimes reluctant to accept payment plans or payments made by the Council through the Deposit and Advance Rent scheme.

Finding suitable accommodation for those with high support needs can be challenging. In Devon, multi-agency partnerships are organised into locality based hubs; these hubs help to join up the wider multi-agency managed homelessness resources of a locality, from buildings and statutory practitioners, to the Devon County Council (DCC) funded elements of support available. This support complements partner and practitioner led help with housing issues, mental health problems, drug and alcohol dependencies, street culture activities and institutional experiences, such as prison or the care system.

The Council is part of the Eastern Hub with Exeter City Council and East Devon District Council. There are some schemes in Exeter which will accommodate those with complex needs but there is competition for bed spaces. The contract allows floating support provided by a third party but this may not always be the most appropriate option for those who have high support needs.

Strategic Aims and Priorities

1 Minimise rough sleeping

The Council was involved in successful bids for funding to support this work during 2019/20. Unfortunately, this funding is time limited and, at the time of writing, in October 2019, there is no indication as to whether or not it will be extended into 2020/21 or future years.

The Rough Sleeper Navigator

Five authorities, including the Council, were able to secure monies to support work with rough sleepers or those at risk of rough sleeping from the Rough Sleeper Initiative funding stream provided by the Ministry of Housing, Communities and Local Government (MHCLG). This funding is time limited and will only be available until March 2020, meaning that the Council has no certainty about the availability of further funding to support this work in the future, after 31 March 2020.

This enabled the continuation of the work previously undertaken by [Julian House](#) which was funded through the joint Trailblazer bid that ended on 31 March 2019. Prior to this new funding stream, Julian House investigated the reports received through the [StreetLink](#) service by visiting the District once a week.

StreetLink is a non-profit organisation managed and delivered by [Homeless Link](#) in partnership with [St Mungo's](#). It is principally funded by MHCLG with additional funding from other Government agencies. Streetlink operates a service which enables members of the public to report any rough sleepers. Streetlink alerts the Council to any incidences of rough sleeping and these are all investigated by our own staff.

The Council is hosting a full time worker throughout 2019/20 to provide an outreach service for rough sleepers, or those at risk of rough sleeping, in the District. This navigator plays a crucial role in the resettlement of rough sleepers, providing a comprehensive service to a caseload of clients who are currently sleeping rough or who have a recent history of rough sleeping in Mid Devon. The aim is to build trust and to provide person centred advocacy and support, which enables clients to navigate pathways and to progress towards a life away from the streets, therefore reducing rough sleeping within the Mid Devon area.

The Rough Sleeping Initiative bid

Working with East Devon District Council, the Council obtained monies to support effective outreach to those who are sleeping rough, or who may be at risk of sleeping rough. Both housing authorities now have additional funding to boost the service provided by their own rough sleeper navigators and also to support those who may be at risk of rough sleeping. This funding was also obtained from the Rough Sleeper Initiative funding stream made available by the MHCLG. It is also limited to the financial

year 2019/20 and currently there have been no announcements as to whether or not it will continue past March 2020.

The challenge is to ensure that engagement is meaningful and that clients are supported to seek housing options which they will be able to sustain going forward.

Mid Devon will continue to address and prioritise Rough Sleeping and in particular the wider issues relating to perceptions and to tenancy sustainment. To try and alleviate the stigma around rough sleepers, together with East Devon District Council, we have developed [Housing First](#) projects in both Districts. The management of these projects has been contracted to [Bournemouth Churches Housing Association](#) (BCHA), a specialist provider with extensive experience of providing floating support to this client group.

Three properties in each District have been made available for use by those who have been sleeping rough, or who are risk of it. Housing First is a model which has been used successfully in Finland and elsewhere and which provides extensive, tailored support to homeless people with complex needs. A key part of our approach will be to work with other agencies to ensure that clients are receiving all the support which they need to enable them to sustain a tenancy.

There are a number of key local partnerships in Mid Devon.

As mentioned earlier, the Council works closely with DCC in the Eastern hub. As a result of this partnership, homeless clients in the District are able to access floating support and some bed spaces at schemes in Exeter.

The Council works in partnership with other strategic housing authorities in Devon to prevent homelessness and to reduce the number of rough sleepers. The Devon and Cornwall Housing Options Partnership involves all authorities in Devon and Cornwall and delivers a consistent approach to the prevention and management of homelessness across the peninsula, this also includes the Devon and Cornwall Rough Sleepers Partnership.

[The Churches Housing Action Team](#) (CHAT) is an important partner based in Tiverton. CHAT runs the foodbank in Tiverton and provides emergency food packs to rough sleepers. In Mid Devon, CHAT also assists rough sleepers with seeking accommodation and helping them to secure homes in the private sector. In addition, there is a shower available at their office and the charity will also wash clothes for those who have no other means of doing this. CHAT receives grant funding from the Council and the existing award covers the period to the end of March 2020.

[The Severe Weather Emergency Protocol \(SWEP\)](#)

In partnership with all the other authorities in Devon and Cornwall, the Council has agreed a Severe Weather Emergency Protocol which has two aims. Firstly, it is designed to ensure that no one dies on the streets due to extreme cold or severe weather. It should also ensure that every effort is made to engage with rough sleepers

and to encourage them to work with support services during the winter months, that is, the period from 1 November to 31 March. Extreme cold is defined as when the Met Office has forecast that the temperature will be at zero or below that for three consecutive nights. Severe weather is defined as when the Met Office issues a red warning for the local area in relation to rain, snow or wind. Local authorities may activate the protocol when there are amber warnings and the Council usually does in these circumstances.

We are therefore committed to providing shelter to rough sleepers during the winter months.

The protocol operates outside of the usual eligibility and entitlement frameworks which govern access to housing. In line with the provisions of it, we are obliged to identify and to target those who are rough sleeping.

If a rough sleeper cannot be persuaded to access accommodation, we must provide them with information about the health risks associated with sleeping out during severe weather. We must also monitor their wellbeing and continue to offer support, provisions and information on services available to assist them. We are also obliged to give consideration to their mental capacity working in partnership with the Police and other services.

Key actions required to deliver this priority:

1. Identify other funding streams to continue this work which has been funded by the Government's rough sleeping initiative should further grant funding not be available in future years
2. Further develop our approach to the provision of night shelter accommodation for rough sleepers during the winter months
3. Continue to work in partnership to improve outcomes for those who are sleeping rough or at risk of it

2 Maximise prevention activities and outcomes

Prevention is effective when it is timely and where possible can be aligned to individual issues. In the past, successful outcomes have often been achieved by the use of a pragmatic and flexible approach.

Officers engage with clients at an early stage and use a range of interventions in order to try to prevent homelessness. We use an alert system so that those agencies which have a Duty to Refer can send information online and social landlords are also able to use this to ensure that those tenants who may be at risk of eviction can be supported appropriately with a view to helping them to sustain their tenancies.

For example, they will engage with landlords, if appropriate, or refer families for mediation in order to prevent youth homelessness.

Partnership working is seen as a key strand of our approach and our Housing Options team works in partnership with a wide range of agencies which work in the District. The Job Centre Plus is based at Phoenix House which means that there is a good working relationship between front line officers in both agencies.

We employ a Youth Homelessness Worker and this is funded in part by Devon County Council. This Officer works with those aged 25 and under and has established good links with a range of partners including the team dedicated to working with young people and care leavers. A key strand of our approach is to refer young people and their families for mediation following a family breakdown.

DCC has a responsibility to take care of those young people under 18 who are homeless and the Council, together with other housing authorities in Devon, has entered into a joint protocol which sets out the obligations of the authority with responsibility for the provision of social services and those of the housing authorities. All cases involving those under 18 who are homeless must be managed in accordance with this protocol and joint needs assessments will be completed with DCC Officers if a young person below 18 approaches the Council.

In addition, the Council is also involved in the Devon Children and Families Partnership and contributes to the Mid/East Devon Locality Partnership which is designed to deliver Early Help to those families to avoid crises. There is a housing support worker based within the Early Help team and our Housing Options Officers will make referrals to this worker, as appropriate, if they feel that a family is at risk of homelessness.

Our Officers work with navigators in local prisons to help those due for release to avoid homelessness. We also work with Bay 6, the hospital discharge scheme at the Royal Devon & Exeter Hospital, to support those who may be unable to return to their home due to their health needs or who may be at risk of homelessness following discharge.

The Council funds a service, known as Wiser£money, which is based in Phoenix House and which is designed to provide local welfare assistance to those clients of

the Council experiencing exceptional financial difficulty. Navigate Community Interest Organisation provides this service which is free, confidential and tailored to meet individual needs. There is provision for money and debt advice, help with income maximisation and signposting and referral to other support agencies, as required. The Council has a rolling contract with Navigate which will come to an end in April 2021.

CHAT also provides tenancy support and offers a debt advice service.

We operate a Sanctuary scheme in partnership with the Police to help victims of domestic abuse to remain in their homes. We also work with a range of other agencies to support those victims who have fled as a result of incidents of domestic abuse.

As a stock holding authority, the Council is able to house clients who are homeless into permanent accommodation within our own housing stock. The Voids and Allocations team identifies risk at an early stage and can signpost and/or refer prospective tenants for help and advice which will help them to sustain their tenancies.

The Housing Options team has a good relationship with many local estate agents and will work with them to help clients in the private sector to sustain their tenancies.

We use a deposit and advance rent scheme (for more information about this, please refer to the section below) and this provides clients with more options.

There are other projects in Mid Devon which work with certain groups of clients and the Council endeavours to be responsive to the needs of the partners responsible for running these because they are a useful resource which widens the options open to some of those who are homeless in our District.

The Council actively engages with different partnership groups which operate in the District, at a County level and regionally. These partnerships are important because they increase the exchange of information about best practice. However, they also help Officers to build up links which can prove invaluable with regard to resolving the homelessness of individual households.

Key actions required to deliver this priority:

1. Seek to continue to provide or facilitate support for all households at risk of homelessness and in particular to ensure that there is sufficient accommodation available to all priority households that are unable to find their own solution.
2. Engage with landlords in the District with the aim of:
 - a. Increasing supply
 - b. Putting in place support to help them to help tenants to sustain their tenancies, thereby reducing void periods, tenant damage etc.
3. Continue to actively participate in partnerships on the basis that the Council can benefit from opportunities to undertake joint working initiatives, share best practice and training and from an economy of scale

3 Increasing accommodation options

Facilitating more homes in Mid Devon

The [Social Housing Green Paper](#): A New Deal for Social Housing published on 14 August 2018, contained a number of core themes, one of which was expanding housing supply and supporting home ownership.

There are several ways in which Councils can improve the opportunities for local people to secure a home which they can afford. The Council has already set up a local housing company and is also using the Housing Revenue Account (HRA) to build more homes in support of this objective.

The other ways in which the Council can deliver more affordable housing are:

- To directly commission and to procure a developer to build homes on a council-owned site
- To work in partnership with other registered providers of social housing (RPs), collaborating closely on resources including land, type of development and future management arrangements
- To work with developers who are required by section 106 agreements to make a percentage of homes on all large developments available as affordable housing
- To facilitate community and neighbourhood groups to deliver affordable housing

Therefore, the local authority needs to negotiate with developers, land owners and RPs, and to work in partnership with a wide range of stakeholders in order to enable the delivery of affordable housing across the District. The Council also needs to ensure that there is a consistency of approach with other partners within the Greater Exeter Strategic Partnership.

Housing enabling, that is, actively promoting and maximising the development of affordable housing, is a key strand of the Council's approach to increasing the supply of affordable housing and a priority for our Planning and Housing Services.

The Deposit and Advance Rent Scheme (DARS)

When someone applies for assistance because they are about to become, or are, homeless, the priority for Officers in the Housing Options team is to work to assist the household concerned to remain in their existing home. This may involve negotiating with the landlord and offering mediation, or repayment plans, if they are in rent arrears. In addition, Officers will offer the applicant access to the deposit and advance rent scheme (DARS), if necessary, because this has the potential to enable them to secure alternative accommodation.

The DARS enables Officers to provide an interest free loan, repayable on a monthly basis until the debt is cleared, as an option to those who are either homeless or at risk of homelessness. A loan made using the DARS often provides a cheaper option than placing someone into temporary accommodation. The average DARS loan is around £1200 and this is repayable over five years.

It should be noted that it can be difficult to recover monies owed by clients who may sometimes be very vulnerable and who may be experiencing financial distress for a variety of reasons.

When someone applies for assistance because they are about to become, or are, homeless, the priority for Officers is to work to assist the household concerned to remain in their existing home. This may involve negotiating with the landlord and offering mediation, or repayment plans, if they are in rent arrears. In addition, Officers will offer the applicant access to the deposit and advance rent scheme (DARS), if necessary, because this has the potential to enable them to secure alternative accommodation. However, there is a large amount of unrecovered debt associated with the DARS scheme therefore the scheme will be kept under review. There can be no assumption of its future use or availability as it is a cost pressure.

Disabled facilities grant – Better Care Funding

The delivery of the Disabled Facilities Grant programme is mandatory and a statutory function of the local housing authority. The delivery of this function is governed by the Housing Grants, Construction and Regeneration Act 1996.

In 2015 the government introduced the Better Care Fund (BCF) in an attempt to bring health and social care together in an integrated way. The BCF is a combination of government funding from the Department of Health and the Department for Communities and Local Government (DCLG) and includes the grant allocation for Disabled Facilities Grants (DFGs). This funding stream is managed by the Council on behalf of DCC.

In some cases, homelessness can be relieved by the use of grant funding to adapt a home so that it better meets the needs of the client. Therefore, the use of the BCF is an important strand of our approach to prevent homelessness.

Improving the Quality of Homes in the Private Sector in Mid Devon

Our review of the housing market and other issues which impact homelessness in Mid Devon has highlighted the need to improve the supply and quality of private rented accommodation.

Our Public Health Service organises a Landlord Forum which takes place annually and which allows our Officers to engage with those landlords who may not have previously considered working with us to resolve the housing needs of those who are

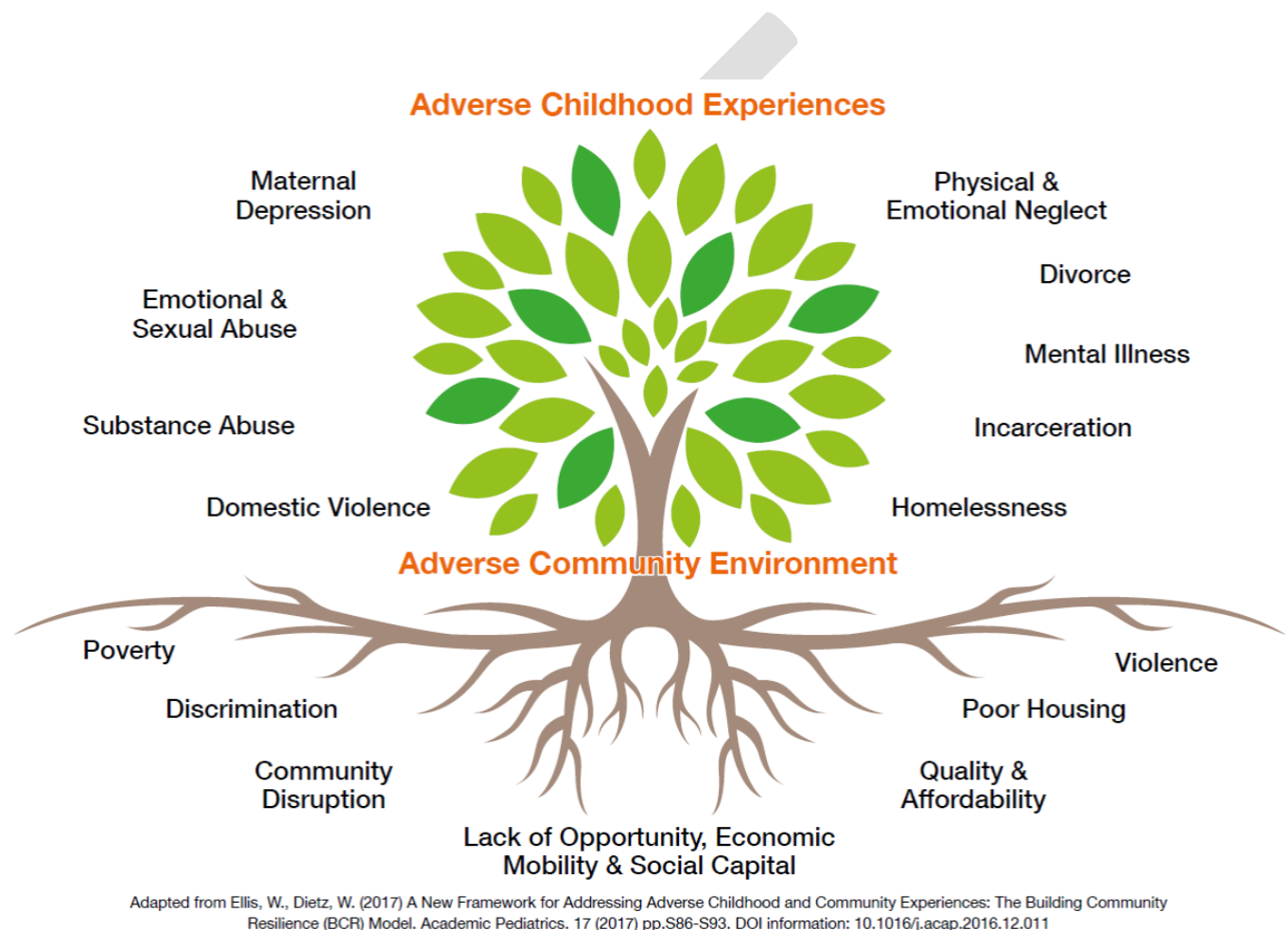
homeless. In addition, there is a commitment to raise standards so that all those living in private sector accommodation have a home which is decent, safe and warm.

Key actions required to deliver this priority:

1. Work with the Planning Service to support housing enabling activity to deliver more affordable homes in Mid Devon
2. Review procedures relating to DARS to ensure to ensure legislative compliance and to improve the information given to recipients
3. Promote adaptations as a way of relieving potential homelessness
4. Continue to encourage landlords with good quality accommodation to let to work closely with the Council to assist those in housing need
5. Work to improve the quality of private sector housing by continuing to take a robust approach to inspection and enforcement of standards

4 Improving health and wellbeing

Adverse childhood experiences may impact health in a negative way. It is important that those delivering services designed to prevent and manage homelessness understand the associations between these experiences and negative health outcomes. The risk of homelessness is increased for those who have had adverse childhood experiences and work to identify the risk of this and to mitigate it, is important with regard to delivering improved access to a range of opportunities for clients.



Family breakdown, in particular, is considered to be a key contributor to homelessness and therefore the Council works in partnership with DCC which is responsible for the delivery of Social Services, to resolve any emerging issues as early as possible. Drug and alcohol issues, together with mental health factors, also appear to contribute. Work within the Early Help Locality Partnership, with the Care Leavers team and with other agencies including CHAT and Citizen's Advice support this.

Factors affecting housing sustainment and risk of homelessness include issues relating to social isolation, and a lack of timely interventions particularly around mental health and drug and alcohol services. Further to this, chaotic and transient lifestyles can mean clients struggle to engage with healthcare services. Our outreach workers

are able to establish a link between Housing and Health services in order to deliver the support and advice needed for some clients.

The Council works with a range of partners in the District and across the County in order to find appropriate support for clients with complex needs and will continue to develop pathways designed to resolve issues associated with these.

Key actions required to deliver this priority:

1. Continue to support those at risk of/ or experiencing domestic abuse
2. Work in partnership to support those vulnerable people at risk of homelessness
3. Continue to build relationships with local general practitioners to develop increased understanding and more effective joint working
4. Ensure that services are available for vulnerable people and those at risk of homelessness by making appropriate referrals
5. Raise awareness of issues relating to homelessness and vulnerable people by visiting partner agencies and agreeing protocols for engagement

Monitoring and reviewing the strategy

Action	Expected Outcome	Target date
Minimising Rough Sleeping		
Succession planning post April 2020 to ensure the continuation of: <ul style="list-style-type: none"> • Outreach work • Housing First pilot • Navigator role 	Have in place a plan for the continuation of work relating to rough sleepers if Government funding is no longer available post 2020	March 2020
Housing First pilot: monitor outcomes during 2019/20	Helping vulnerable people who have or who were at risk of sleeping rough to develop the skills required to sustain a tenancy Build up evidence to demonstrate effectiveness of approach	March 2020
Further develop our approach to the provision of night shelter accommodation for rough sleepers during the winter months	Minimising the risk to anyone who is sleeping rough, building up trust, and assisting them to seek safe and secure accommodation	Ongoing
Partnership arrangements – ensure that data sharing agreements are in place and that cases are audited regularly to ensure that data has been shared appropriately Housing Options Manager to audit all partnership arrangements	Data sharing is undertaken in a lawful manner	March 2020 and yearly thereafter
Maximising prevention activities and outcomes		
Develop stronger relationships with other registered providers (RPs) active in Mid Devon	Increased opportunities for homeless clients to access social housing	Ongoing

Action	Expected Outcome	Target date
Undertake an audit to review partnership arrangements on an annual basis	Identifying areas where needs are not being met and also where there is unnecessary duplication in the supply of services	November 2020 & annually thereafter
Undertake a housing strategy meeting with partners on an annual basis	Identifying pressures, new initiatives and funding streams, and increasing mutual understanding	April 2020 & annually thereafter
Engage with private sector landlords in the District by working with the Benefit team to identify those landlords with the most homes in the District.	Establishing clear referral processes to enable them to access support to help them to help tenants to sustain their tenancies, thereby reducing void periods, tenant damage etc. This should encourage these landlords to continue working in partnership in the Council and this, in turn, can be used, as evidence to show others that working with the Council can be mutually beneficial	March 2021
To offer a Housing Options Prevention Service to all clients/landlords	The introduction of the landlord liaison service ensuring that all landlords can refer to the service for customers at risk of homelessness.	Ongoing
Seek to continue to provide or facilitate support for all households at risk of homelessness This will involve ensuring that all staff are well trained and understand what resources are available to support their clients in Mid Devon. This to include signposting and referring to services which can assist with budgeting, debt and money advice	Building better relationships with support services, mapping services available.	Ongoing
Continue to actively participate in partnerships	The Council can benefit from opportunities to undertake joint working initiatives, share best practice and training; and from an economy of scale	Ongoing

Action	Expected Outcome	Target date
In cases where there has been a family breakdown, refer to mediation, publicising the positive outcomes that can be achieved so that other partner agencies have an awareness and understanding.	An annual publicity campaign which describes the positive outcomes arising from referrals to mediation	Yearly
Engage with other agencies which can offer transitional support to those moving out of temporary accommodation	Improved knowledge of the offer, greater understanding of the role of each and better outcomes for those moving into settled accommodation	Ongoing
Improve public awareness of Housing Options	Improve awareness and public knowledge more generally about local housing shortages and the factors that lead to homelessness so that people are able to be proactive in resolving their housing difficulty	Ongoing
Referrals into the service.	Maintain a high level of awareness about housing options and homelessness amongst partner agencies to ensure early referrals into the service, promoting the web based technologies for private landlords to notify us if they are going to evict their tenant or if the tenant has fallen behind with their rent so that we can intervene early to resolve the issue before it leads to eviction proceedings	Ongoing
Making best use for access to the service	Improving methods for social landlords, social services, refuges, support services to notify us of any housing related difficulties so that we can work to resolve them before the person is asked to leave the home	Ongoing
Early intervention with partners	Early intervention – engage with partners to identify potential housing issues early so that pre-crisis support can be put in	Ongoing

Action	Expected Outcome	Target date
	place. This may include identifying management moves quickly to ensure a proactive planned move and early identification of Antisocial Behaviour (ASB) cases that need intervention	
Maximising Debt Advice	Maximising options for applicants who are i	Ongoing
Increasing accommodation options		
Raise awareness of the service and how it operates	Provide briefings to partner agencies and other groups which may benefit from having a greater understanding and awareness including local schoolchildren	Ongoing
Make best use of Council housing stock to ensure that it is available to those in greatest housing need	Positive action around social housing fraud; campaign to raise awareness. Ensure that all housing management staff are trained to recognise the signs and know what action they should take	Ongoing
Work with Private Landlords to: <ul style="list-style-type: none"> Develop schemes to reduce barriers to letting to tenants with a history of debt/ in receipt of welfare To put in place support for them to help them to better sustain tenancies Improve access to good quality housing, increase choices for those who are homeless and give them more options This will involve promoting good news stories and Making private sector landlords aware of the offer from the Council in terms of support to their tenants	Increased supply of private sector accommodation available to vulnerable people in Mid Devon. Increase in reputable Landlords with housing in Mid Devon	Ongoing Ongoing

Action	Expected Outcome	Target date
<ul style="list-style-type: none"> Undertake a promotional campaign and develop a package of incentives to attract Landlords 		
Develop a dedicated contact point and literature for Private Sector Landlords considering serving notice to prevent homelessness/facilitate planned moved	To increase prevention activity within the Private Sector	Ongoing
Develop better relationships providers of temporary accommodation in Mid Devon which will involve routinely liaising with these establishments, promoting good news stories and ensuring that there is a responsive support service available	An increased supply of temporary accommodation for use in crisis situations	Ongoing
Promotion of services including adaptations as a way of relieving potential homelessness	More residents able to remain in their own homes	Ongoing
Work to improve the quality of private sector housing by continuing to take a robust approach to inspection and enforcement of standards by referring issues relating to poor quality homes to the Private Sector Housing team	Improved housing in the private rented sector	Ongoing
Review procedures relating to the use of DARS	Update literature for use with clients which clearly explains their responsibilities	March 2020
Explore the implementation of auto bid	Explore the implementation of auto bid for households who are under a housing duty	March 2020

Action	Expected Outcome	Target date
Ensuring sufficient supply of accommodation	We will aim to keep bed & breakfast usage low by introducing shared houses for single homeless households and making best use of our existing stock. Whilst in temporary accommodation we will continue to work with people to source suitable housing solution, this will not be a stepping stone to social housing.	Ongoing
Joined up neighbouring social landlords working for those fleeing domestic violence	Promote Reciprocal schemes for people fleeing their social tenancies due to violence or risk	
Improving health and wellbeing		
Further development of partnership working arrangements with local GPs and other services available to support good health and wellbeing for homeless clients. This to involve a continuing programme of briefings to ensure that partners have an understanding of homelessness and related issues in Mid Devon and the Council's offer; and potentially the development of more service level agreements.	Increased understanding and better joint working	Ongoing
Publicise help and assistance available to those who may be rough sleeping; and what the general public can do to notify the Council about anyone about whom they are concerned	The Council understands who is sleeping rough in the District and has opportunities to connect with these people and to arrange appropriate support	Ongoing
Continue to support those at risk of/ or experiencing domestic abuse	Helping victims to break the cycle and live without fear	Ongoing

Action	Expected Outcome	Target date
Continue to review monthly statistics for trends	Monitor, review and evaluate data to look at any trends to predict future levels of homelessness	Ongoing
Housing First Project to assist and empower individuals to come off the streets, access mainstream services and reengage with mainstream society	Develop integrated response across health, housing and social care	Ongoing

This action plan will be responsive to change and will be kept under review, updates will be provided to the Homes Policy Development Group on a half-yearly basis.

Publication

A copy of this Strategy is available on the Council's website and is available on request at the Council's offices.

If you would like more information regarding the Preventing Homelessness Strategy, contact Housing Options.

Housing Options
Mid Devon District Council
Phoenix House
Phoenix Lane
Tiverton
EX16 6PP
Telephone: 01884 255255
Website: www.middevon.gov.uk

HOMES PDG 3 DECEMBER 2019

PERFORMANCE AND RISK REPORT

Cabinet Member Cllr Simon Clist, Cabinet Member for Housing
Responsible Officer Director of Operations, Andrew Pritchard

Reason for Report: To provide Members with an update on performance against the corporate plan and local service targets for 2019/20 as well as providing an update on the key business risks.

RECOMMENDATION(S): That the PDG reviews the Performance Indicators and Risks that are outlined in this report and feeds back any areas of concern to the Cabinet.

Relationship to Corporate Plan: Corporate Plan priorities and targets are effectively maintained through the use of appropriate performance indicators and regular monitoring.

Financial Implications: None identified

Legal Implications: None

Risk Assessment: If performance is not monitored we may fail to meet our corporate and local service plan targets or to take appropriate corrective action where necessary. If key business risks are not identified and monitored they cannot be mitigated effectively.

Equality Impact Assessment: No equality issues identified for this report.

Impact on Climate Change: No impacts identified for this report.

1.0 Introduction

- 1.1 Appendix 1 provides Members with details of performance against the Corporate Plan and local service targets for the 2019-20 financial year. The PDG is invited to suggest measures they would like to see included in the future for consideration.
- 1.2 Appendix 2 shows the section of the Corporate Risk Register which relates to the Economy Portfolio. See 3.0 below.
- 1.3 Appendix 3 shows the profile of all risks for Homes at present.
- 1.4 All appendices are produced from the corporate Service Performance And Risk management system (SPAR).

2.0 Performance

- 2.1 Regarding the Corporate Plan Aim: **Build more council houses:** The houses at Turner Rise, Palmerston Park are now fully occupied.
- 2.2 Regarding the Corporate Plan Aim: **Facilitate the housing growth that Mid Devon needs, including affordable housing: Bringing Empty homes into use** has already exceeded the annual target. **Number of affordable homes delivered** is just above target as at 30 September. Having been below target for several years, the figures have now been above target for the last 3 years.
- 2.3 Regarding the Corporate Plan Aim: **Planning and enhancing the built environment: Performance Planning Guarantee determined within 26 weeks** was just below target at 99% but all 4 speed and quality measures were well above the required target as at 30 September.
- 2.1 A report on the Local Plan main modifications went to Cabinet on 21 November prior to a further stage of public consultation.
- 2.4 Regarding the Corporate Plan Aim: **Other:** all measures are either on or above target except for **Average days to re-let** which was just outside the target of 14 days.
- 2.5 Housing performance remains in the top quartile compared with HouseMark. Financial performance of the Housing Revenue account is currently showing an underspend; mainly due to salary savings and new funding for delayed projects which will be earmarked for the future. General Fund housing has also received additional funding.

3.0 Risk

- 3.1 Risk reports to committees include strategic risks with a current score of 10 or more in accordance. (See Appendix 2)
- 3.2 Operational risk assessments are job specific and flow through to safe systems of work. These risks go to the Health and Safety Committee biannually with escalation to committees where serious concerns are raised.
- 3.3 The Corporate risk register is regularly reviewed by Group Managers' Team (GMT) and Leadership Team (LT) and updated as required.

4.0 Conclusion and Recommendation

- 4.1 That the PDG reviews the performance indicators and risks for 2019-20 that are outlined in this report and feeds back any areas of concern to the Cabinet.

Contact for more Information: Catherine Yandle, Group Manager for Performance, Governance and Data Security ext 4975

Circulation of the Report: Leadership Team and Cabinet Member

Corporate Plan PI Report Homes

Monthly report for 2019-2020
 Arranged by Aims
 Filtered by Aim: Priorities Homes
 For MDDC - Services

Key to Performance Status:

Performance Indicators:	No Data	Well below target	Below target	On target	Above target	Well above target
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* Indicates that an entity is linked to the Aim by its parent Service

Corporate Plan PI Report Homes

Priorities: Homes

Aims: Build more council houses

Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
Build Council Houses	2 (7/12)		26	0	0	0	0	0	26	26						Angela Haigh	(September) Palmerston Park (CY)

Aims: Facilitate the housing growth that Mid Devon needs, including affordable housing

Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
Number of affordable homes delivered (gross)	29 (2/4)		100	n/a	n/a	22	n/a	n/a	51	n/a	n/a		n/a	n/a		Angela Haigh	(Quarter 1 - 2) Info. from Planning (CY)
Deliver homes by bringing Empty Houses into use	70 (6/12)		72	17	33	42	55	72	84							Simon Newcombe	

Aims: Other

Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Office Notes
% Decent Council Homes	99.9% (6/12)		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%							Angela Haigh	
% Properties With a Valid Gas Safety Certificate	99.91% (6/12)		100.00%	99.78%	99.82%	99.91%	99.91%	99.96%	100.00%							Angela Haigh	
Rent Collected as a Proportion of Rent Owed	99.59% (6/12)		97.00%	91.55%	99.90%	97.66%	100.93%	99.30%	98.50%							Angela Haigh	
Current Tenant Arrears as a Proportion of Annual Rent Debit	1.31% (6/12)		2.50%	1.10%	0.87%	1.11%	1.09%	0.91%	1.17%							Angela Haigh	
Dwelling rent lost due to voids	0.55% (6/12)		0.70%	0.50%	0.50%	0.48%	0.48%	0.52%	0.53%							Angela Haigh	
Average Days to Re-Let Local Authority Housing	15.5days (6/12)		14.0days	14.0days	14.5days	14.6days	13.7days	14.6days	14.4days							Angela Haigh	

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Homes PDG Risk Management Report - Appendix 2

Report for 2019-2020

For Homes - Cllr Simon Clist Portfolio

Filtered by Flag: Include: * Corporate Risk Register

For MDDC - Services

Not Including Risk Child Projects records, Including Mitigating Action records

Key to Performance Status:

Mitigating
Action:

Milestone
Missed

Behind
schedule

On / ahead
of schedule

Completed
and
evaluated

No Data
available

Risks: No Data (0+)

High (15+)

Medium (6+)

Low (1+)

Homes PDG Risk Management Report - Appendix 2

Risk: Homelessness Insufficient resources to support an increased homeless population could result in failure to meet statutory duty to provide advice and assistance to anyone who is homeless.

Service: Housing Services

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
Completed and evaluated	Computer System	New ICT system for recording homelessness data procured and fully functional including reporting facility.	Claire Fry	05/09/2017	13/09/2019	Fully effective(1)
Completed and evaluated	Staff Support	Officers are trained and knowledgeable and the structure of Housing Options team to be reviewed to build resilience. Homelessness	Claire Fry	22/06/2017	13/09/2019	Fully effective(1)

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Print Date: 14 November 2019
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Homes PDG Risk Management Report - Appendix 2						
Mitigating Action records						
Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
		strategy to be reviewed Autumn 2019.				
Current Status: Medium (12)		Current Risk Severity: 4 - High		Current Risk Likelihood: 3 - Medium		
Service Manager: Claire Fry						
Review Note: See mitigating actions						

Homes PDG Risk Management Report - Appendix 2

Risk: Reputational re Council Housing Stock Failure in handling a disaster/mistake properly

Service: Housing Services

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
Completed and evaluated	Proactive Working	Dynamic system of fire risk assessment being adopted to minimise risk. Tenancy Home Checks enable us to identify issues in homes; and communal inspections and Neighbourhood Walkabouts enable us to identify issues in communal areas which could also increase health and safety risks.	Claire Fry	05/09/2017	13/09/2019	Fully effective(1)
Completed and evaluated	Staff Support	Trained staff who are knowledgeable and have a comprehensive suite of housing related policy and procedures in place. These include procedures in case of disaster.	Claire Fry	05/09/2017	13/09/2019	Fully effective(1)
Current Status: Medium (10)		Current Risk Severity: 5 - Very High			Current Risk Likelihood: 2 - Low	
Service Manager: Claire Fry						
Review Note: See mitigating actions						

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Risk Matrix Homes Appendix 3

Report For Homes - Cllr Simon Clist Portfolio Current settings

Risk Likelihood	5 - Very High	No Risks	No Risks	No Risks	No Risks	No Risks
	4 - High	No Risks	No Risks	No Risks	No Risks	No Risks
	3 - Medium	No Risks	1 Risk	1 Risk	1 Risk	1 Risk
	2 - Low	No Risks	No Risks	3 Risks	1 Risk	3 Risks
	1 - Very Low	No Risks	No Risks	No Risks	2 Risks	7 Risks
		1 - Very Low	2 - Low	3 - Medium	4 - High	5 - Very High
		Risk Severity				

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Yandle

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Print Date: 14 November
2019 16:52

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CABINET

21 November 2019

FINANCIAL UPDATE FOR THE SIX MONTHS TO 30 SEPT 2019

Cabinet Member Cllr Alex White

Responsible Officer Andrew Jarrett – Deputy Chief Executive (S151)

Reason for Report: To present a financial update in respect of the income and expenditure so far in the year.

RECOMMENDATION(S):

1. The Cabinet note the financial monitoring information for the income and expenditure for the six months to 30 September 2019 and the projected outturn position.

Relationship to the Corporate Plan: The financial resources of the Council impact directly on its ability to deliver the corporate plan; prioritising the use of available resources brought forward and any future spending will be closely linked to key Council pledges from the updated Corporate Plan.

Financial Implications: Good financial management and administration underpins the entire document.

Legal Implications: None.

Risk Assessment: Regular financial monitoring information mitigates the risk of unforeseen over or underspends at year end and allows the Council to direct its resources to key corporate priorities.

Equality Impact Assessment: It is considered that the impact of this report on equality related issues will be nil.

Impact on Climate Change: There are no direct impacts from the content of this report.

1.0 Introduction

- 1.1 The purpose of this report is to highlight to Cabinet our current financial status and the likely reserve balances at 31 March 2020. It embraces both revenue, in respect of the General Fund; the Housing Revenue Account (HRA), and Capital and aims to focus attention on those areas which are unlikely to achieve budget. It is particularly important for next year's budget setting and, looking further ahead, with the medium term financial plan.
- 1.2 Favourable variances generating either increased income or cost savings are expressed as credits (negative numbers), whilst unfavourable overspends or incomes below budget are debits (positive numbers).

2.0 Executive Summary of 2019/20

- 2.1 The table below shows the opening position of key operational balances of the Council, the forecast in year movements and final predicted position at 31 March 2020:

Usable Reserves	31/03/2019	Forecast in year movement	31/03/2020
	£k	£k	£k
Revenue			
General Fund (see paragraph 3.2)	(2,501)	(29)	(2,530)
Housing Revenue Account (see paragraph 4.2)	(2,000)	0	(2,000)
Capital			
Capital Receipts Reserve	(3,620)	(1,212)	(4,832)
Revenue Contribution to Capital Earmarked Reserve	(415)	185	(230)

3.0 The General Fund Reserve

- 3.1 This is the major revenue reserve of the Council. It is increased or decreased by the surplus or deficit generated on the General Fund in the year. This reserve held a balance of £2.501m as at 31/03/19.
- 3.2 The forecast General fund **surplus** for the current year is £29k after transfers to and from Earmarked Reserves as shown at Appendix A. Members should note that we are currently undertaking a review of minimum reserve levels. We will subsequently bring a report to Cabinet with recommendations.

The **most significant variances** comprise:

	£k
Waste Services – Shared savings scheme and vacancies	(143)
Trade Waste and recycling - Increase in customers and reduced discounts etc.	(94)
New vehicle contract – Funded by EMR	55
Public Health – Air Quality S106 (covered by EMR) and legal costs	91
Planning – Downturn in Planning income less salary savings	165
Garden Village project – funded by EMR	83
S106 spend re Public Open Space – funded by EMR	76
Cullompton Master Plan – funded by EMR	60
Statutory Plan – Funded by EMR	46
Car Parking – Shortfall Premier Inn	19
General Fund Housing - Grant funding – to be earmarked	(127)
Property – Various including salary savings; loss of income; etc.	(23)
Legal – Software budget not required	(15)

Democratic Services – District Elections shortfall	25
Electoral Registration – Increase in IER funding and delayed boundary review	(47)
Leisure – Vacant posts etc. partly offset by utilities overspend	(7)
Revs and Bens – Various including reduced subsidy and salary savings	(9)
3 Rivers Impairment – Partly offset by a statutory reversal of £377k	503
Statutory Adjustments – Reversal of Capital impairment 3 Rivers	(377)
Statutory Adjustments – Reduction in Minimum Revenue Provision (less borrowing than anticipated)	(50)
Interest income – additional income	(150)
Earmarked Reserves transfers	(181)
Net Business Rates retention – more levy from increased growth	59

- 3.3 The major variances are highlighted at Appendix B. The current incomes from our major funding streams are shown at Appendix C, whilst current employee costs are shown at Appendix D.

4.0 Housing Revenue Account (HRA)

- 4.1 This is a ring-fenced account in respect of the Council's social housing function. Major variances and proposed corrective action are highlighted at Appendix F.

- 4.2 Appendix E shows that the reserve opening balance is £2m. It is anticipated that the forecast variance of £486k surplus will increase the budgeted transfer to the Housing Maintenance Fund and so the HRA reserve balance should remain at £2m.

- 4.3 Overall, the HRA is forecast to underspend by £486k in 2019/20, made up of several deficits and surpluses, the most significant of which comprise the following:

- £53k underspend relating to planned revenue works – Building Services (DLO)
- £150k underspend in relation to staffing within repairs team, Building Services (DLO)
- £40k forecast reduced activity on DFG works - Building Services (DLO)
- £90k underspend relating to staffing within Housing Services (tenancy)
- £230k underspend relating to future HRA projects

5.0 Capital Programme

- 5.1 Capital projects, by their very nature, often overlap financial years. The status of this year's capital programme is shown at Appendix G.

- 5.2 The approved Capital Programme amounts to £31.548m (this includes the approved 2019/20 Budget £14.597m, slippage rolled forward from 2018/19 of £12.077m and additional projects approved since Q1 amounting to £4.874m). These additional projects are as follows:

£0.050m MSCP – Top deck resurfacing increased cost

£0.050m	Contribution to South West Mutual Bank
£0.468m	3 Rivers Loan - Threwstones
£1.224m	3 Rivers Loan – Orchard House
£0.650m	Cullompton Town Centre Relief Road
£0.050m	Tiverton EUE A361 Junction Phase 2
£2.100m	GP Practice NHS Hub Building Crediton
£0.282m	RTB Buyback

£4.874m Total

- 5.3 The revenue monitoring report reflects the fact that the 3 Rivers project, Rear of Town Hall development (Riverside) is likely to overspend by c£377k. We have therefore impaired this loan by an equal amount. As this is a capital loan it is reversed in the revenue account but it will have an impact in 2020/21 when it will trigger Minimum Revenue Provision (MRP) payments over 3 years of £126k per annum. Any increase in this overspend will of course add a further pressure.
- 5.4 We also have a “working capital loan” with 3 Rivers which is currently at risk (£504k). This was due to be repaid over 5 years but as there is doubt over the ability of the company to repay this in this timescale, it is prudent to impair it over the remaining life of the loan, 4 years at £126k per annum. This is a real cost to the revenue account. Both the £377k and the £125k are shown against Corporate Management.
- 5.5 As stated in 5.1, some of these projects will overlap financial years. Managers have therefore given their best estimate of what is ‘deliverable’ for 19/20; this amounts to £11.782m (£7.277m in Quarter 1). Therefore, committed and actual expenditure will be monitored against this revised ‘deliverable’ budget for the remainder of the year.
- 5.6 The deliverable budget has been established following meetings with managers to determine a realistic forecast of spend based on known information at this point in the year. This will continue to be revisited for material changes.
- 5.7 Committed and Actual expenditure is currently £8.687m against a ‘deliverable’ Capital Programme of £11.782m leaving a variance of £3.095m uncommitted at this point in time.
- 5.8 Additional work has been undertaken to establish forecast slippage and potential underspends against the approved Capital Programme and are also detailed on Appendix G.
- 5.9 Forecast slippage amounts to £4.445m, which mainly relates to: £0.900m in relation to the Tiverton redevelopment project, £0.602m in relation to the 3 Rivers Project at the rear of the Town Hall which is forecast to be completed in 21/22, £0.547m for the 3 Rivers Project at Orchard House that will be completed in 20/21, £0.600m in relation to Land Acquisition for operational needs and £1.350m in relation to Council House building at Round Hill, Tiverton. For further detail please refer to Appendix G.

- 5.10 A comprehensive review of projects has also been undertaken to either remove them from the 19/20 Programme where no longer required or re-profile into the 20/21 to 23/24 MTFP that was presented at 17 October 2019 Cabinet. The forecast net underspend amounts to £11.738m, this mainly relates to: £3.7m for the District Wide Redevelopment Project, £2m for Waddeton Park, (this is now included in future years in the Capital MTFP presented at the October Cabinet), £2.1m to enable Social Housing projects and two Council House Building Projects at £2m each which have been further quantified in the forward MTFP. Again, for further detail please refer to Appendix G.

6.0 Revenue Contribution to Capital EMR

- 6.1 The Capital Earmarked Reserve has been set aside from Revenue to fund Capital Projects; the movement on this reserve is projected below:

	£k
Capital Earmarked Reserve at 1 April 2019	(415)
Funding required to support 2019/20 Capital Programme	185
Forecast uncommitted Balance at 31 March 2020	(230)

7.0 Capital Receipts Reserve (Used to fund future capital programmes)

- 7.1 Unapplied useable capital receipts are used to part fund the capital programme, the movement on this account for the year to date is given below:

	£k
Unapplied Useable Capital Receipts at 1 April 2019	(3,620)
Net Receipts to Q2 (includes 21 "Right to Buy" Council House sales)	(1,215)
Current Balance	(4,835)
Forecast further capital receipts in year	(600)
Forecast capital receipts required to support 2019/20 Capital Programme	603
Forecast Unapplied Capital Receipts 31 March 2020	(4,832)

- 7.2 The forecast reserve balance for the Revenue Contribution to Capital Reserve and the Capital Receipts Reserve includes the associated funding of the 19/20 Capital Programme, as these monies are committed. In reality, much of this will slip to 20/21. It is also important to note that these balances are likely to be fully utilised in order to balance the Capital Medium Term Financial Strategy.

8.0 Treasury Management

8.1 The interest position so far this financial year can be summarised as follows:

Interest Receivable:

	Budget £k	Forecast outturn £k	Forecast variance £k
Investment Income Received	(443)	(533)	(90)
Interest from HRA funding	(49)	(49)	0
Total Interest Receivable	(492)	(582)	(90)

8.2 The additional income from 3 Rivers loans and the interest rate is holding well due to the delay in Brexit. The interest saving in interest payable is due to the fact we have not taken out external borrowing (PWLb), as expenditure has been low and we have funded initially from internal resources.

9.0 Council Tax and Housing Benefits Collection Performance – 2018/19

9.1 We have added a new Appendix H to outline the performance in this area for the previous year and to compare collection rates to national averages. The statistics show that our results are commendable when compared to national averages.

10.0 Conclusion

10.1 Members are asked to note the revenue and capital forecasts for the financial year. Managers are working hard to offset overspends, some of which are unavoidable, with budget savings to deliver an outturn close to the budget. Members will be aware that management action has improved the position from Quarter 1 which was showing a projected overspend of £427k.

10.2 The work undertaken to produce this monitoring information to 30 Sept 2019 will be used to inform the 2020/21 Budget setting process where required.

**Contact for more
information:**

Andrew Jarrett, 01884 23(4242)
ajarrett@middevon.gov.uk

Jo Nacey, 01884 23(4254)
jnacey@middevon.gov.uk

Circulation of the Report:

Cllr Alex White, Leadership Team

**GENERAL FUND FINANCIAL MONITORING INFORMATION FOR THE PERIOD FROM 01 APRIL TO 30 SEPTEMBER
2019**

		2019/2020 Annual Budget	Full Year Forecast	Full Year Variance (0 = On budget)	Variance
General Fund Summary	Note	£		£	%
Cllr Bob Deed					
Corporate Management	A	1,696,520	2,209,520	513,000	30.2%
Cllr Luke Taylor					
Grounds Maintenance	E	596,740	587,740	(9,000)	-1.5%
Cemeteries & Bereavement Services	D	(86,540)	(76,540)	10,000	-11.6%
Waste Services	H	1,983,480	1,797,307	(186,173)	-9.4%
Cllr Dennis Knowles					
Community Development	I	104,660	99,660	(5,000)	-4.8%
Environmental Services incl. Licensing	D	770,010	854,882	84,872	11.0%
IT Services	Q	972,610	989,210	16,600	1.7%
Land charges	N	(20,530)	(30,530)	(10,000)	48.7%
Open Spaces	F	91,800	97,112	5,312	5.8%
Recreation And Sport	J	740,302	746,618	6,316	0.9%
Cllr Alex White					
Finance And Performance	K	707,320	707,320	0	0.0%
Revenues And Benefits	L	430,400	422,525	(7,875)	-1.8%
Car Parks	C	(535,210)	(502,210)	33,000	6.2%
Cllr Simon Clist					
Private Sector Housing	D	(6,070)	12,820	18,890	-311.2%
General Fund Housing	M	212,630	75,650	(136,980)	-64.4%
Property Services	G	644,230	619,720	(24,510)	-3.8%
Cllr Graeme Barnell					
Community Development: Markets	I	50,180	65,180	15,000	29.9%
Planning And Regeneration	N	1,296,884	1,707,157	410,273	31.6%
Cllr Mrs Nikki Woollatt					
Customer Services	O	770,510	751,510	(19,000)	-2.5%
Human Resources	P	465,090	480,090	15,000	3.2%
Legal & Democratic Services	B	1,136,206	1,076,136	(60,070)	-5.3%
Public Health	D	(4,890)	(4,890)	0	0.0%
All General Fund Services		12,016,332	12,685,987	669,655	5.6%
Net recharge to HRA		(1,534,110)	(1,534,110)	0	
Statutory Adjustments (Capital charges)		333,280	(93,720)	(427,000)	
Net Cost of Services		10,815,502	11,058,157	242,655	2.2%
Finance Lease Interest Payable		44,420	44,420	0	
Interest from Funding provided for HRA		(49,000)	(49,000)	0	
Interest Receivable / Payable on Other Activities		167,580	107,580	(60,000)	
Interest Receivable on Investments		(442,540)	(532,540)	(90,000)	
Transfers into Earmarked Reserves	APP B	2,267,363	2,603,030	335,667	
Transfers from Earmarked Reserves	APP B	(2,036,744)	(2,552,996)	(516,252)	
Contribution from New Homes Bonus Reserve	APP B	(587,850)	(587,850)	0	
Total Budgeted Expenditure		10,178,731	10,090,801	(87,930)	-0.9%
Revenue Support Grant		0	0	0	
Rural Services Delivery Grant		(466,695)	(466,695)	0	
New Homes Bonus Grant		(1,243,503)	(1,243,503)	0	
Retained Business Rates		(3,247,005)	(3,125,195)	121,810	
Business Rates Deficit		778,906	778,906	0	
Business Rates Benefit from Devon Pool		(100,000)	(163,000)	(63,000)	
CTS Funding Parishes		0	0	0	
Collection Fund Surplus		(71,330)	(71,330)	0	
Council Tax		(5,829,104)	(5,829,104)	0	
Total Budgeted Funding		(10,178,731)	(10,119,921)	58,810	-1%
Forecast in year (Surplus) / Deficit		0	(29,120)	(29,120)	
General Fund Reserve 30/09/2019				(2,483,294)	
Forecast General Fund Balance 31/03/2020				(2,512,414)	

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GENERAL FUND FINANCIAL MONITORING INFORMATION FOR THE PERIOD FROM 01 APRIL TO 30 SEPTEMBER 2019

Note	Description of Major Movements	Full year variance (net of transfer to EMR)	PDG
A	Corporate Management		
	Forecast overspend on bank charges	10,000	Cabinet
	3 Rivers - Working capital impairment - IFRS 9 the risk of non-repayment of the loan	126,000	Cabinet
	3 Rivers - Riverside impairment - Relates to the potential overspend on the project leading to non-repayment of loan	377,000	Cabinet
		513,000	
B	Legal & Democratic Services		
	Legal Services-estimated underspend against the salary budget due to a vacant post	(5,500)	Cabinet
	Legal Services-estimated under recovery of S106 income	10,000	Cabinet
	Legal Services-fees and charges income higher than budget	(4,000)	Cabinet
	Legal Services-software budget not required	(15,400)	Cabinet
	Member Services-estimated savings against the salary budget due to carrying a vacancy for a number of months	(7,000)	Cabinet
	Electoral Registration-increase in IER funding above budget	(16,800)	Cabinet
	District Elections- After utilising earmarked reserves estimate of £25k shortfall in covering election spend	25,000	Cabinet
	Electoral Registration-saving against the salary budget due to vacancy	(5,000)	Cabinet
	Parish Elections- Recharging more of the costs to parishes than previously forecast	(7,500)	Cabinet
	Democratic Rep-savings on internet access payments and Members registration	(3,870)	Cabinet
	Electoral Registration- Budget for boundary review no longer required	(30,000)	Cabinet
		(60,070)	
C	Car Parks		
	P&D Income shortfall forecast in MSCP of £24k due to ongoing Premier Inn works, forecasting increased income in some of our P&D car parks of £5k.	19,000	Economy
	MSCP - Increased Security patrols to protect users and property from anti-social behaviour, has resulted in a budget overspend.	6,000	Economy
	Increased Electricity usage due to 24 hour opening of the MSCP and increased usage from contractors.	8,000	Economy
		33,000	
D	Public Health combined		
	Net of S106 Air Quality expenditure & income, covered by transfers from EMRs	71,872	Community
	One off unavoidable Employment costs in Public Health	4,900	Community
	Licensing - Salary overspend due to JE regrades. We will be able to adjust fees going forward and hope to recover some of this overspend this year.	8,100	Community
	External Legal costs associated with major Housing prosecution, some costs awarded by the Courts but remain outstanding.	18,890	Homes
	Cemetery Income below profile for 2nd Qtr, will review month by month.	5,000	Environment
	Reduced income on Regulatory Services	5,000	Environment
		113,762	
E	Grounds Maintenance		
	Salary savings - vacant Team Leader post not recruited to whilst service structure is being reviewed	(25,000)	Environment
	New vehicle contract - funded from earmarked reserve in year	16,000	Environment
		(9,000)	
F	Open Spaces		
	S106 Expenditure funded by transfer from an EMR	5,312	Community
		5,312	
G	Property Services		
	New vehicle contract - funded from earmarked reserve in year	6,000	Environment
	Public Conveniences Utility charges are lower then budgeted due to reduction in the number of PC's and more accurate billing from Laser.	(7,000)	Environment
	Historic Business Rates reduction applied to Phoenix House due to office mergers have resulted in a rates underspend.	(43,000)	Homes
	Un-budgeted costs for the upgrade of communication equipment in the Exe Room, off-set against underspend on Rates	14,000	Homes
	Security costs higher than budget for Phoenix House	6,600	Homes
	Salary savings within Property Services due to vacant posts (partially off-set by Agency costs)	(70,000)	Homes
	Agency overspend covering vacant posts within Property Services	14,500	Homes
	Loss of income from Fore Street Flats and rates from vacant shop unit	21,390	Economy
	Loss of rental income and increased costs from rates and service charges due to vacant units within Market Walk	33,000	Economy
		(24,510)	
H	Waste Services		
	Vacant posts part offset by agency	(28,000)	Environment
	Additional overtime in Recycling due to operational issues	10,000	Environment
	Waste - Shared Saving Scheme increase from budget. 2018-19 additional £79k and estimating an additional £46k for 2019-20	(125,000)	Environment
	S106 income, transferred to an EMR	827	Environment
	Trade Waste - Increase in customer base and reduced discounts - leading to increased income	(89,000)	Environment
	Trade Waste - Purchase of additional bins	20,000	Environment
	Trade Waste - Disposal costs up due to an increase in customer base	10,000	Environment
	Garden waste, permit sales up	(5,000)	Environment
	Recycling materials, paper tonnage and price down against budget	44,000	Environment
	Recycling materials, mixed plastics tonnage and price up against budget	(79,000)	Environment
	New vehicle contract - funded from earmarked reserve in year	55,000	Environment
		(186,173)	
I	Community Development		

Community Development grant funding	(5,000)	Community
Salaries - job evaluation and additional cover over the busy Christmas period	15,000	Community
	10,000	
J Recreation And Sport		
Salaries - vacant posts.	(80,000)	Community
Dryside - loss of income due to termination of contract with a 3rd party and recruitment issues re qualified staff.	20,000	Community
Over achieving membership targets for fitness.	(24,000)	Community
Vouchers cashed in against fitness and wetside income.	6,000	Community
Savings due to not renewing cascade communication software	(3,500)	Community
Wetside - reduction in casual swim as per the national trend within the industry	17,500	Community
Feasibility Study	11,716	Community
Utilities overspend due to Energy provider invoicing now is more accurate	58,600	Community
	6,316	
K Finance And Performance		
	0	
L Revenues And Benefits		
Housing Benefit Subsidy & Overpayment recovery	40,000	Community
Forecast income from Court Costs is anticipated to be lower than Budgeted	14,000	Community
Estimated income from Single Occupancy Discount penalties (not budgeted)	(20,000)	Community
Additional Forecast C/Tax Annexe Grant	(4,000)	Community
Revenues and Benefits forecast salary savings; in the main due to vacant posts in HB in part offset by additional overtime & temporary increases for supervisors acting up	(19,000)	Community
Software costs associated with Citizens Access	33,950	Community
Software costs associated with new CTR scheme	11,000	Community
Various New Burdens grants from DWP in respect of Housing Benefits initiatives delivered within existing resource	(49,000)	Community
Adjustment to CTB entitlement (re pre 01/04/13 CTB old scheme) not required to be repaid to DCLG & additional CTB admin grant than budgeted	(5,600)	Community
Additional New Burdens NNDR Grant for the administration of Retail Rate Relief delivered within existing resource	(9,225)	Community
	(7,875)	
M General Fund Housing		
Community Alarms: estimated surplus due to underspend on service overheads	(10,000)	Homes
GF Housing: grant funding received will be earmarked towards future service sustainability	(126,980)	Homes
	(136,980)	
N Planning And Regeneration		
Net of S106 Public Open Space expenditure & income, covered by transfers from EMRs	76,153	Community
Garden Village project consultancy spend funded by transfer from EMR	82,770	Community
Salary savings due to not recruiting for the secondment of the graphics technician, a delay in recruitment of the monitoring information officer and maternity savings	(17,000)	Community
Statutory Plan - saving on budgeted GESP contribution	(5,000)	Community
Statutory Plan - Local Plan costs funded by transfer from EMR	45,500	Community
Development Management - planning income. Consistently over the last 12 mths there has been a downturn in fees, this has been driven by external circumstances affecting the submission of larger fee earning applications. Officers are working with developers to try and bring forth applications via the pre application process. Most recently the forecast shortfall has in part been offset through a major fee bearing application	182,000	Community
Development Management - supplies & services. Main contributor being required advertising.	7,000	Community
Cullompton Town Centre Masterplan, funded by transfer from EMR	60,000	Community
Business Development Grant funding	(10,500)	Community
Income from Section 97 work	(10,650)	Community
Land charges Devon County Council searches	(10,000)	Community
	400,273	
O Customer Services		
Hardware support and maintenance - customer services and replacement of the self service kiosk (funded from reserve)	10,000	Community
Overtime budget not required	(4,000)	Community
Vacancy Savings	(25,000)	Community
	(19,000)	
P Human Resources		
Realignment of basic establishment prior to review of service needs	15,000	Cabinet
	15,000	
Q I.T. Services		
Digital services cloud software licence - expenditure covered by salary savings in the CS codes	7,500	Cabinet
Idox support fees more than budgeted	7,800	Cabinet
Central Government have delayed moving towards utilising the public internet for submission of statutory returns - meaning the Council has to pay for a private sector network connection to submit its returns	9,600	Cabinet
Vacant posts	(8,300)	Cabinet
	16,600	
FORECAST (SURPLUS)/DEFICIT AS AT 31/03/2020	669,655	

Cabinet	484,530
Community	479,898
Homes	(195,990)
Environment	(186,173)
Economy	87,390
	669,655

GENERAL FUND FINANCIAL MONITORING INFORMATION FOR THE PERIOD FROM 01 APRIL TO 30 SEPTEMBER 2019

Fees and Charges	2019/20 Annual Budget £	2019/20 Profiled Budget £	2019/20 Actual £	2019/20 Variance £	Full Year Forecast Variation £	Variance %
Building Control Fees	(240,000)	(120,000)	(146,860)	(26,860)	0	0%
Planning Fees	(946,500)	(473,250)	(306,234)	167,016	182,000	-19%
Land Search Fees	(120,000)	(60,000)	(62,263)	(2,263)	0	0%
Car Parking Fees - See Below	(733,290)	(351,726)	(347,767)	3,960	19,000	-3%
Leisure Fees & Charges	(2,881,030)	(1,459,766)	(1,322,266)	137,499	26,000	-1%
Trade Waste Income	(699,000)	(694,810)	(771,317)	(76,507)	(89,000)	13%
Garden Waste	(482,100)	(170,030)	(171,800)	(1,770)	(5,000)	1%
Licensing	(145,190)	(58,660)	(55,459)	3,201	0	0%
Market Income	(83,350)	(30,397)	(35,346)	(4,949)	0	0%
	(6,330,460)	(3,418,639)	(3,219,312)	199,327	133,000	-2.1%

Car Parking Fees					Bud Income pa per space
				Spaces	
Beck Square, Tiverton	(79,500)	(42,843)	(41,497)	1,345	(1,988)
William Street, Tiverton	(26,280)	(13,266)	(12,675)	591	(584)
Westex South, Tiverton	(49,000)	(26,538)	(23,467)	3,071	(961)
Wellbrook Street, Tiverton	(14,000)	(7,055)	(7,666)	(611)	(519)
Market Street, Crediton	(37,500)	(19,928)	(18,501)	1,427	(962)
High Street, Crediton	(75,000)	(38,310)	(40,664)	(2,354)	(395)
Station Road, Cullompton	(33,500)	(18,720)	(20,540)	(1,820)	(299)
Multistorey, Tiverton	(126,980)	(65,623)	(52,372)	13,251	(201)
Market Car Park, Tiverton	(210,000)	(103,167)	(105,585)	(2,418)	(1,721)
Phoenix House, Tiverton	(5,500)	(2,775)	(2,765)	10	(367)
P&D Shorts & Overs	0	0	95	95	0
Total Pay and Display	(657,260)	(338,224)	(325,637)	12,587	(7,995)
Day Permits	(16,000)	(1,605)	(698)	908	
Allocated Space Permits	(41,500)	(2,702)	(9,442)	(6,740)	
Overnight Permits	(200)	0	(473)	(473)	
Day & Night Permits	(10,700)	(2,580)	(1,637)	943	
Other Income	(7,630)	(6,615)	(9,880)	(3,265)	
Total Permits	(76,030)	(13,502)	(22,130)	(8,628)	
Total Car Parking	(733,290)	(351,726)	(347,767)	3,960	
Standard Charge Notices (Off Street)	(48,000)	(24,000)	(20,130)	3,870	0%

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GENERAL FUND FINANCIAL MONITORING INFORMATION FOR THE PERIOD FROM 01 APRIL TO 30 SEPTEMBER 2019

Employee Costs	2019/20 Annual Budget £	2019/20 Profiled Budget £	2019/20 Actual £	2019/20 Variance £
General Fund				
Community Development	49,220	24,610	28,601	3,991
Corporate Management	1,457,520	728,760	712,884	(15,876)
Customer Services	688,440	344,220	312,921	(31,299)
Environmental Services	864,660	432,330	454,192	21,862
Finance And Performance	548,850	274,425	261,195	(13,230)
General Fund Housing	272,190	136,095	124,735	(11,360)
Grounds Maintenance	490,260	245,130	217,874	(27,256)
Human Resources	374,760	187,380	173,240	(14,140)
I.T. Services	548,920	274,460	271,300	(3,160)
Legal & Democratic Services	482,960	241,480	231,902	(9,578)
Planning And Regeneration	1,799,200	899,600	810,019	(89,581)
Property Services	628,270	314,135	301,926	(12,209)
Recreation And Sport	2,017,338	1,008,669	966,322	(42,347)
Revenues And Benefits	727,810	363,905	348,448	(15,457)
Waste Services	2,509,789	1,254,895	1,115,077	(139,818)
Total General Fund	13,460,187	6,730,094	6,330,637	(399,457)
Housing Revenue Account				
BHO09 Repairs And Maintenance	852,900	426,450	390,385	(36,065)
BHO10 Supervision & Management	1,508,730	754,365	691,713	(62,652)
BHO11 Special Services	0	0	0	0
Total Housing Revenue Account	2,361,630	1,180,815	1,082,098	(98,717)
Total Employee Costs	15,821,817	7,910,909	7,412,735	(498,174)

Agency Staff (within Employee costs)	2019/20 Annual Budget £	2019/20 Profiled Budget £	2019/20 Actual £	2019/20 Variance £
General Fund				
Car Parks	0	0	0	0
Community Development	0	0	0	0
Corporate Management	0	0	0	0
Customer Services	0	0	0	0
Environmental Services	0	0	0	0
Finance And Performance	0	0	0	0
General Fund Housing	0	0	0	0
Grounds Maintenance	25,000	12,500	28,896	16,396
Human Resources	0	0	9,962	9,962
I.T. Services	0	0	0	0
Legal & Democratic Services	0	0	0	0
Planning And Regeneration	0	0	0	0
Property Services	0	0	14,419	14,419
Recreation And Sport	0	0	0	0
Revenues And Benefits	0	0	3,788	3,788
Waste Services	121,641	60,821	178,299	117,478
Total General Fund	146,641	73,321	235,364	162,043
Housing Revenue Account				
BHO09 Repairs And Maintenance	0	0	0	0
BHO10 Supervision & Management	0	0	0	0
BHO11 Special Services	0	0	0	0
Total Housing Revenue Account	0	0	0	0
Total Agency Costs	146,641	73,321	235,364	162,043

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HOUSING REVENUE ACCOUNT FINANCIAL MONITORING INFORMATION FOR THE PERIOD FROM 01 APRIL TO
30 SEPTEMBER 2019

Planned Works extract				
Planned Works - Capital		2,285,000	0	0.0%
Planned Works - Revenue		1,325,500	(50,000)	-3.8%

		2019/2020 Annual Budget	Forecast	Variance
Housing Revenue Account (HRA)	Notes	£	£	%
Income				
SHO01 Dwelling Rents Income	A	(11,977,170)	0	0.0%
SHO04 Non Dwelling Rents Income	B	(564,870)	0	0.0%
SHO06 Tenant Charges For Services	C	0	0	0.0%
SHO07 Leaseholders' Service Charges	D	(21,640)	0	0.0%
SHO08 Contributions Towards Expenditure	E	(27,720)	0	0.0%
SHO09 Alarm Income - Non Tenants	F	0	0	0.0%
SHO10 H.R.A. Investment Income	G	(83,000)	(3,230)	3.9%
SHO11 Miscellaneous Income	H	(7,350)	0	0.0%
Services				
SHO13A Repairs & Maintenance	I	3,174,000	(163,000)	-5.1%
SHO17A Housing & Tenancy Services	J	1,732,360	(320,000)	-18.5%
Accounting entries 'below the line'				
SHO29 Bad Debt Provision Movement	L	53,000	0	0.0%
SHO30 Share Of Corporate And Democratic	M	199,100	0	0.0%
SHO32 H.R.A. Interest Payable	N	1,178,580		0.0%
SHO34 H.R.A. Transfers between earmarked reserves	O	1,713,350	0	0.0%
SHO36 H.R.A. Revenue Contribution to Capital	P	0	0	0.0%
SHO37 Capital Receipts Reserve Adjustment	Q	(26,000)	0	0.0%
SHO38 Major Repairs Allowance	R	2,285,000	0	0.0%
SHO45 Renewable Energy Transactions	S	(139,000)	0	0.0%
		(2,511,360)	(486,230)	-19.4%

Net recharge to HRA		1,534,110
Capital Charges		977,250
Net Housing Revenue Account Budget		0

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HOUSING REVENUE ACCOUNT FINANCIAL MONITORING INFORMATION FOR THE PERIOD FROM 01 APRIL TO 30 SEPTEMBER 2019

Note	Description of Major Movements	Corrective Action	Forecast
			Variance £
G	Interest received on cash balances higher than anticipated	N/A	(3,230)
I	Planned Revenue works to underspend by £53k across various areas. Salary underspend is principally due to vacant posts, a number of staff on maternity leave and new staff starting on reduced spinal points (estimated circa £150k). Forecast reduced activity on DFG works of circa £40k		(163,000)
J	There is an underspend (£90k) due to a number of retirements and posts not being filled immediately. In addition, provision for two posts was made in the budget to ensure that there was capacity to mitigate the impact of welfare reform and legislative changes to tenure. These posts remain unfilled and a watching brief is being kept on performance and workloads. Additionally a budget for new projects is forecast to be underspent by £230k, this budget will then be refreshed in 20/21	N/A	(320,000)
		TOTAL	(486,230)

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MID DEVON DISTRICT COUNCIL
MONITORING OF 2019/20 CAPITAL PROGRAMME

Appendix G

Code	Scheme	Approved Capital Programme 2019/20	Total Slippage B/fwd & Adj to Approved Capital Programme 19/20	Budgeted Capital Programme 2019/20	Total Deliverable Programme 19/20	Actual Expenditure 2019/20	Committed Expenditure 2019/20	Total Actual & Committed Expenditure 2019/20	Variance to Deliverable Capital Programme	Forecast (Underspend)/ Overspend	Forecast Slippage to 20/21	Notes
		£	£	£	£	£	£	£	£	£	£	
	General Fund Projects											
	Exe Valley Leisure Centre											
CA633	Lords Meadow - Replace main pool filters	0	80,000	80,000	55,000	0	4,052	4,052	(50,948)			Project due to be completed by Q3 19/20
CA639	Spinning Room - New window - improve light	20,000	0	20,000	20,000	0	0	0	(20,000)			Project Complete Q2 19/20
CA640	Leisure Spinning Bike Replacement - all sites	60,000	0	60,000	60,000	60,000	0	60,000	0			Project Complete Q2 19/20
	Culm Valley Leisure Centre											
CA641	Fitness Gym Kit Replacement	185,000	0	185,000	185,000	0	15,901	15,901	(169,099)			
	MDDC Depot Sites											
CA829	Carlu Close - Air Conditioning units	25,000	0	25,000	20,000	308	0	308	(19,692)			Forecast project completion Q3 19/20
CA830	Carlu Close - Interceptor upgrade	30,000	0	30,000	30,000	371	1,430	1,801	(28,199)			Subject to EA - if required will be completed in Q3 19/20
CA831	Carlu Close - Solar PV options	20,000	0	20,000	20,000	308	600	908	(19,092)			Forecast project completion Q4 19/20
	Play Areas											
CA472	Open Space Infrastructure (incl Play Areas)	0	50,000	50,000	50,000	0	1,360	1,360	(48,640)			Forecast project completion Q4 19/20
CA632	Play area refurbishment District wide - Amory Park Tiverton	0	50,000	50,000	50,000	0	0	0	(50,000)		50,000	Forecast project completion Q3 20/21
CA628	Play area refurbishment - West Exe Recreation Ground Tiverton	0	50,000	50,000	50,000	0	0	0	(50,000)			Forecast project completion Q4 19/20
	Other Projects											
CA473	Land drainage flood defence schemes - St Marys Hemyock	0	25,000	25,000	25,000	0	0	0	(25,000)		25,000	Forecast project completion Q3 20/21
CA420	Land drainage flood defence schemes - Ashleigh Park Bampton	0	87,000	87,000	87,000	0	0	0	(87,000)		87,000	Forecast project completion Q3 20/21
CA574	Fore Street Flats refurbishment	0	47,000	47,000	47,000	150	2,463	2,613	(44,388)		45,000	
CA709	MSCP improvements (refer to Matrix condition report)	0	136,000	136,000	136,000	2,024	566	2,590	(133,410)			Phase 1 works will be complete by Q4 19/20
CA718	MSCP-Top Deck surfacing	70,000	50,000	120,000	70,000	0	0	0	(70,000)			Phase 1 works will be complete by Q4 19/20. Additional £50k approved at 22/08/19 Cabinet (minute 40)
CA476	Tiverton Cemetery - Infrastructure extension	80,000	0	80,000	80,000	0	0	0	(80,000)		40,000	Forecast project completion Q2 20/21
CA477	Land drainage flood defence schemes	25,000	0	25,000	25,000	0	0	0	(25,000)		25,000	Mary's Hemyock Project
CA202	Flexible Temporary Accomodation	75,000	0	75,000	75,000	0	0	0	(75,000)			
CA576	Tiverton Town Centre improvements	0	40,000	40,000	20,000	0	0	0	(20,000)			
CA579	Tiverton Town Centre - Street scene improvements	100,000	0	100,000	100,000	0	0	0	(100,000)			
CA832	Land acquisition for operational needs	600,000	0	600,000	0	0	0	0	0		600,000	This will be slipped into 2020/21
CA482	Contribution to South West Mutuals Bank	0	50,000	50,000	0	49,995	0	49,995	49,995			Per Cabinet report 07/03/19 to be funded by NNDR EMR
	General Fund Development Schemes											
CA575	District Wide Redevelopment project - Asset acquisition	0	3,953,000	3,953,000	45,000	65,155	53,200	118,355	73,355	(3,700,000)		Detailed schemes identified as part of forthcoming MTFP
CA462	Rear of Town Hall Development site (Riverside) - 3 Rivers Loan	0	3,679,000	3,679,000	3,077,110	1,185,260	1,891,850	3,077,110	0		601,890	This Project will cross financial years and be completed in 21/22
	3 Rivers Loan - Threwstones	0	468,000	468,000	468,000	355,000	113,000	468,000	0			This project will complete in 19/20
	3 Rivers Loan - Orchard House	0	1,224,000	1,224,000	677,500	157,500	520,000	677,500	0		546,500	This Project will cross financial years and be completed in 20/21
CA580	Tiverton redevelopment project	1,200,000	0	1,200,000	1,200,000	3,576	0	3,576	(1,196,425)		900,000	It is anticipated that the majority of the spend on this project will occur in 20/21
CA581	Waddeton Park	2,000,000	0	2,000,000	0	0	0	0	0	(2,000,000)		This project is now detailed in its entirety in the MTFP that was presented to Cabinet on 17/10/19
CA719	Cullompton Town Centre Relief Road	0	650,000	650,000	0	0	0	0	0			
CA720	Tiverton EUE A361 Junction Phase 2	0	50,000	50,000	0	0	0	0	0			
	GP Practice NHS Hub Building Crediton	0	2,100,000	2,100,000	0	0	0	0	0			
	Economic Development Schemes											
CA582	* Hydro Mills Electricity Project	680,000	0	680,000	0	0	0	0	0			
	* All Economic Development schemes are subject to acceptable Business Case											
	ICT Projects											
CA421	Desktop states replacement/refresh	0	6,000	6,000	6,000	6,594	0	6,594	594	600		Project complete
CA456	CRM replacement	0	175,000	175,000	175,000	0	0	0	(175,000)		175,000	It is anticipated that this project will slip into 20/21
CA474	Data centre hardware refresh servers/storage	0	120,000	120,000	100,000	97,854	0	97,854	(2,146)	(20,000)		Project complete
CA433	Unified Communications/telephony	0	107,000	107,000	32,000	32,554	0	32,554	554			Project to be delivered by Q4 19/20
CA464	Parking System Replacement (enforcement)	0	40,000	40,000	0	0	0	0	0	(40,000)		Project no longer required as coded to Revenue
CA465	Replacement Queue System	0	30,000	30,000	0	0	0	0	0			
CA423	Continued replacement of WAN/LAN	0	60,000	60,000	60,000	0	0	0	(60,000)	(60,000)		Project no longer required
CA425	Server farm expansion/upgrades	0	84,000	84,000	84,000	0	0	0	(84,000)			Project to be delivered by Q4 19/20
CA437	Digital Transformation	0	33,000	33,000	0	4	0	4	4			
CA478	UPS Power supplies refresh	25,000	0	25,000	20,000	19,925	0	19,925	(75)	(5,075)		Project complete
CA479	Continuous replacement/Upgrade of WAN/LAN (networking hardware switches)	100,000	0	100,000	0	0	0	0	0	(100,000)		Project no longer required. Core switches project will be flagged in MTFP that will be presented at 17/10/19 Cabinet
CA480	Lalpac Licensing System replacement (SN)	80,000	0	80,000	0	0	0	0	0			
CA481	Replacement Access Database - Property Services	100,000	0	100,000	0	0	0	0	0	(100,000)		This Project is timetabled for delivery in 21/22 & will be flagged as part of the forthcoming MTFP
	Replacement Vehicles											
CA717	Van Tipper (Grounds Maintenance)	0	25,000	25,000	25,000	25,330	0	25,330	330	330		Project complete
CA715	Van Tipper (Grounds Maintenance)	0	25,000	25,000	25,000	25,330	0	25,330	330	330		Project complete
CA712	Iveco Tipper (or equivalent) 3.5T Tipper	0	28,000	28,000	28,000	27,830	0	27,830	(170)	(170)		Project complete
CA822	7.5T Tipper	0	45,000	45,000	45,000	44,773	0	44,773	(227)	(227)		Project complete
CA825	3.5T Tipper	0	28,000	28,000	28,000	27,830	0	27,830	(170)	(170)		Project complete
CA827	3.5T Tipper	0	28,000	28,000	28,000	27,830	0	27,830	(170)	(170)		Project complete
		5,475,000	13,623,000	19,098,000	7,328,610	2,215,503	2,604,422	4,819,924	(2,508,686)	(6,024,552)	3,095,390	

	Private Sector Housing Grants											
CG217	Empty homes and enforcement	108,000	0	108,000	30,000	0	0	0	(30,000)			
CG201	Disabled Facilities Grants–P/Sector	562,000	0	562,000	530,000	150,879	230,206	381,085	(148,915)			
CG208	Wessex					25,000		25,000	25,000			
		670,000	0	670,000	560,000	175,879	230,206	406,085	(153,915)	0	0	
	Affordable Housing Projects											
CA200	Grants to Housing Associations to provide units (funded by commuted sums)	117,000	0	117,000	17,000	8,720	0	8,720	(8,280)	(100,000)		This forecast underspend will remain in EMR
		117,000	0	117,000	17,000	8,720	-	8,720	(8,280)	(100,000)	0	
	Total General Fund Projects	6,262,000	13,623,000	19,885,000	7,905,610	2,400,102	2,834,628	5,234,730	(2,670,880)	(6,124,552)	3,095,390	
CA100	HRA Projects - Existing Housing Stock Major repairs to Housing Stock	2,285,000	0	2,285,000	2,285,000	960,715	860,301	1,821,016	(463,984)			Currently recruiting to enable delivery for future, likely start date Oct '19 therefore will result in an underspend for 19/20
CA111	Renewable Energy Fund	250,000	0	250,000	150,000	0	0	0	(150,000)	(100,000)		
CG200	Home Adaptations - Disabled Facilities	300,000	0	300,000	300,000	129,524	0	129,524	(170,476)			
	Housing Development Schemes											
CA119	Palmerston Park - Additional budget required	0	634,000	634,000	634,000	1,161,425	58,888	1,220,313	586,313	586,313		Additional spend on this project will be in part offset by additional Homes England Grant of £441k Detailed schemes identified as part of forthcoming MTFP Project tendered. Project financial feasibility being considered Forecast project completion Q4 19/20 Detailed schemes identified as part of forthcoming MTFP Detailed schemes identified as part of forthcoming MTFP It is anticipated that the majority of the spend on this project will slip into 20/21
CA135	Land acquisition for affordable housing	0	2,100,000	2,100,000	0	0	0	0	0	(2,100,000)		
CA124	Queensway (Beech Road) Tiverton (3 units)	0	287,000	287,000	0	0	0	0	0			
CA126	Sewerage Treatment Works - Washfield	0	25,000	25,000	25,000	0	0	0	(25,000)			
CA139	Replace end of life HRA Assets	2,000,000	0	2,000,000	0	0	0	0	0	(2,000,000)		
CA140	Council Housing building schemes to be identified	2,000,000	0	2,000,000	0	0	0	0	0	(2,000,000)		
CA141	Round Hill Tiverton- Site	1,500,000	0	1,500,000	200,000	0	0	0	(200,000)		1,350,000	
CA142	RTB Buyback - 6 Cherry Gardens	0	153,000	153,000	153,000	152,438	0	152,438	(562)			
CA143	RTB Buyback- 39 Cameron Close	0	129,000	129,000	129,000	128,940	0	128,940	(60)			
	Total HRA Projects	8,335,000	3,328,000	11,663,000	3,876,000	2,533,042	919,189	3,452,230	(423,770)	(5,613,687)	1,350,000	
	CAPITAL PROGRAMME GRAND TOTAL	14,597,000	16,951,000	31,548,000	11,781,610	4,933,144	3,753,817	8,686,961	(3,094,649)	(11,738,239)	4,445,390	

Housing Benefit Performance in 2018/19

Speed of Processing

The 2018/19 average time for processing new claims was 21 days and changes of circumstance (CoC) was 5 days. Both of these times are at or below national average of 21 days and 6 days respectively.

18/19	Q1	Q2	Q3	Q4	YEAR
NEW	20	23	20	21	21
CoC	5	7	6	3	5

Caseload

The numbers of Housing Benefit (HB) and Council Tax Reduction (CTR) claims have both fallen from the levels experienced in 2017/18. This is partially down to Tiverton Job Centre going to UC Full Service from July 2018 and Exeter Job Centre from September 2018.

18/19	Q1	Q2	Q3	Q4
HB	3,842	3,696	3,516	3,405
CTR	4,220	4,184	4,167	4,172

Total Housing Benefit paid to date

The table below shows the total sum of Housing Benefit paid during 2018/19.

18/19	Q1	Q2	Q3	Q4
£m	4.6	8.5	13.2	15.6

Note - The figures shown above are cumulative

Collection Rates - Comparison

Collection	CTAX	NDR
2017/18	98.00%	99.22%
2018/19	97.79%	99.29%
Difference	-0.21%	0.07%

National Position

In 2018-19 local authorities collected a total of £29.8 billion in council tax, irrespective of the year to which it related. This was an increase of £1.8 billion, or 6.5%, over 2017-18. By the end of March 2019, they had collected £29.3 billion of council tax that related to 2018-19 and achieved an average in-year collection rate of **97.0%**, a decrease of 0.1 percent-age points over 2017-18. During 2018-19, local authorities collected £625 million in council tax arrears and wrote off £195 million of uncollectable council tax.

In 2018-19 authorities collected a total of £25.3 billion in **non-domestic rates**, irrespective of the year to which it related. This was an increase of £856 million, or 3.5% over the figure for 2017-18. By the end of March 2019, they had collected £25.7 billion in non-domestic rates that related to 2018-19 and achieved an average in-year collection rate of **98.3%** in 2018-19, a decrease of 0.1 percentage points over 2017-18. They also collected £645 million in non-domestic rates arrears and wrote off £213 million of uncollectable non-domestic rates in 2018-19.

Homes PDG
3 December 2019

DRAFT 2020/21 GENERAL FUND AND CAPITAL BUDGETS

Cabinet Member Cllr Simon Clist
Responsible Officer Andrew Jarrett, Deputy Chief Executive (S151)

Reason for the report: To consider the initial draft 2020/21 Budget and options available in order for the Council to set a balanced budget and agree a future strategy for further budget reductions for 2021/22 onwards.

RECOMMENDATION: To consider the draft budget proposals for 2020/21 and start to plan for additional savings as identified in the Medium Term Financial Plan.

Relationship to the Corporate Plan: To deliver our Corporate Plan's priorities within existing financial resources.

Financial Implications: The current budget for the General Fund shows a deficit of £346k. In addition we have predicted a funding deficit of £1.376m on our General Fund by 2023/24. This highlights the need to take steps to plan for further reductions to our ongoing expenditure levels.

Legal Implications: None directly arising from this report, although there is a legal obligation to balance the budget. There are legal implications arising from any future consequential decisions to change service provision, but these would be assessed at the time.

Risk Assessment: In order to comply with the requirement to set a balanced budget, management must ensure that the proposed savings are robust and achievable. We must also ensure that the assumptions we have used are realistic and prudent. Failure to set a robust deliverable budget puts the Council at risk of not being able to meet its commitments and casts doubt on its "going concern" and VFM status.

Equality Impact Assessment: There are no Equalities Impact implications relating to the content of this report.

Climate Change Assessment: The allocation of resources will impact upon the Council's ability to implement/fund new activities linked to climate change, as the MTFP sets the broad budgetary framework for the Council over the coming years.

1.0 Introduction

- 1.1 As 2019/20 was the fourth and final year of a four year fixed funding settlement, we awaited with some trepidation the outcome of the Fair Funding Review and Business Rates reset, which was due to be published in September of this year. Due to the pressures of Brexit, the Government has been unable to complete this piece of work and have instead, regrettably, confirmed that they will issue a

one-year settlement. This has therefore resulted in the Fair Funding Review etc. being postponed for a year.

1.2 This has had an inevitable impact on our ability to forecast for future years. We expect the Review to alter our funding but we have little indication of what this might involve. The areas we are particularly concerned with are:

- Business Rates baseline reset – how much of our growth are we likely to lose?
- When will we move to 100% Business Rates growth retention? In the Budget 2016, this was to be in place “before the end of Parliament”.
- What will 100% Retention mean in terms of losing other funding streams such as RSDG and what additional responsibilities will we have?
- New Homes Bonus – the mechanics of this will change and we may lose additional years’ (we lost 2 years payments in 2018/19). We expect more of the Bonus to be redirected to the Better Care Fund to help Upper Tier authorities cope with the pressures of Social Care.
- Will we lose funding in relation to our rurality (RSDG)?
- Will we be tasked with administering additional reliefs/services?

1.2 It is worth reflecting that our budgets are affected in a number of ways:

- a) The funding received from Central Government.
- b) Devon County Council (DCC) and other public bodies’ budgets are being reduced centrally and hence this pressure is passed on to us in areas we work collaboratively.
- c) The increasing pressure on social care budgets has a “knock-on” effect to the level of funding that is available to lower-tier authorities.
- d) Government departments such as Ministry of Housing, Communities and Local Government, Department of Work and Pensions also have lower budgets and reduced grants.
- e) Changes in customer demand/expectations in the context of the local/national economy.

1.3 Although the priority is to balance next year’s budget, strategic decisions will need to be made to accommodate reduced or changes to funding going forward.

1.4 Based on nine years of public sector austerity many services can no longer continue to reduce cost and still be expected to deliver “business as usual”. It is important to remember that some services are statutory and in some cases must breakeven, i.e. we cannot generate a profit. This restricts where savings/cuts can be imposed and section 8 below provides more details.

1.5 The proposed savings embodied in the draft budget will need to be agreed by Members, as every proposed saving that is rejected will need to be matched by a suggestion of where a similar saving could be made. Members will be aware that the budget is an evolving process. We have already made a range of assumptions relating to: pay awards, inflation, fees/charges, demand for services, property increases, etc. More information may well change/alter our assumptions in the months leading up to February, when the budget has to be finalised. So the current budget gap of £346k will be revised over the next few

months, but it is based on the most current information, in conjunction with professional guidance, that is available.

- 1.6 The Council continues to look at opportunities to reduce operational costs without immediately reducing service levels. However it remains a real possibility moving forward that some difficult decisions will have to be made relating to what the Council can and can't afford to deliver/support in the future.

2.0 The Draft 2020/21 Budget

- 2.1 The initial aggregation of all service budgets (which also includes assumptions surrounding predictions of interest receipts, contributions to our capital programme, transfers from/to reserves and Council Tax levels) currently indicates a General Fund budget gap of £346k (Appendix 1).
- 2.2 At this point it is worth summarising how we have arrived at this deficit. The table shown below shows the main budget variances affecting the 2020/21 draft budget.

Table 1 – Reconciliation of Major 2020/21 Budget Variances

Variances	Amount £k
<i>External items outside of our control</i>	
Estimated reduced formula grant settlement	126
Inflationary increases (excl HRA shown below)	43
Decrease in Housing Benefit Grant and CTRS Admin Grant	20
Pay award and pension increases	262
Pension lump sum increase	8
<i>Subtotal</i>	459
<i>Other changes</i>	
Reversal of 19/20 one-off pressures and EMR use	226
Transfer to EMR – Vehicle contract fund	150
Vehicle contract – funding from EMR	(549)
Fleet Contract pressure – funded from EMR	122
Increase in Leisure charges (inflationary)	(84)
Minimum Revenue Provision increase	477
Net recharge to HRA (after inflationary increases etc.)	(48)
Reduction in Planning income	150
Increase in New Homes Bonus	(102)
Increase in New Homes Bonus transferred to EMR	102
Increase in Business Rates income	(477)
Increase in Council Tax income – (assuming £5 Band D)	(112)
Interest payments increase	296
Additional interest income	(182)
Car Park income increase	(190)
Crediton masterplan - funded from EMR	62
Crediton masterplan – draw from EMR	(62)
Boundary commission one-off cost	15
Standby contract increase in relation to homelessness	10
Maintenance costs re IT and software	19
Leisure – essential maintenance – funded from EMR	347
Leisure – transfer from EMR	(347)

Property – essential maint (various areas) – funded from EMRs	210
Property – transfer from EMR	(210)
Leisure salaries - reduction in post and flat time budget	(95)
Reduction on housing benefit overpayment recovery	50
Salaries movements	42
Computer software AIM and ACR upgrade - finance	20
Increase in bad debt provision - homelessness	10
Asset management - external contractors	10
Shop rents - Fore Street - reduction in income	10
Service charge vacant units - Market Walk	20
Other minor adjustments - net	-3
Draft budget gap for 2020/21	346

2.3 In compiling the 2020/21 draft budget we have also examined budget performance during 2019/20 and then made any relevant budget corrections for staffing changes, levels of income, changes in legislation, increases in inflation, etc.

2.4 Due to the need to get budget information to all of the PDG and Cabinet meetings during October and November there are still a few key issues that have not been resolved or are still to be fully evaluated. These issues may either improve or worsen the summary budget position currently reported and can be summarised as follows.

- Performance of the Devon Business Rates Pool
- Ongoing impact of new Homelessness legislation from 01/04/18
- Ongoing impact of full rollout of Universal Credit from 01/04/18
- Autumn Statement announcement in November 2019
- Provisional Finance Settlement in December
- Ongoing service reviews (including changes to fees/charges)

3.0 The Past

3.1 Just to remind Members of the financial journey the Council has been on since the austerity programme in 2010/11, here is a list of some of the challenges that have been presented to MDDC in balancing budgets during recent years.

- Net loss of £4.2m in Formula Grant
- Loss of funding for Housing Benefit admin and Regional Housing Pot removed circa £0.6m
- Council Tax freezes accepted for a number of years
- Costs associated with Local Plan
- Tax and pension related pressures including:
 - Pay award
 - Increased pension back-funding costs
 - Government mandated auto-enrolment to the Pension Scheme
 - National Insurance change
- Apprentice Levy of £50k introduced (currently c£58k)

3.1 The following lists just some of the actions taken by MDDC to mitigate these funding reductions.

- Significant efficiency agenda has led to service reductions amounting to over £2m
- Increased income has been generated by a number of services
 - Waste shared savings agreement with DCC
 - Garden Waste Scheme
 - Improved recycling scheme
- Increased commercialisation
 - £200k profit from Market Walk and Fore Street properties
- Business Rates Devon Pool participation
- Profit from the Special Purpose Vehicle returned to the General Fund, along with a margin on interest received
- Increasing CCLA holding to £5m
- Colocation with Department for Work & Pensions (DWP)
- Revised Car Parking Strategy in 2016/17
- Rationalising MDDC property estate, including depots, parks, toilets and car parks
- Joint working with North Devon DC as part of the Building Control Partnership
- DCC Transfer Station located at Carlu Close

4.0 The Future

- 4.1 A lot of work has already been undertaken in order to deliver a draft budget gap of £346k. We now are set with two tasks: firstly, to deliver a balanced General Fund budget by February 2020 in order to formally set the Council Tax and secondly, and of equal importance, begin to plan how our future spending plans can be financed. The work with town and parish councils will continue.

5.0 Capital Programme

- 5.1 In addition to this revenue funding pressure, is our ongoing commitment to future capital programmes, not helped by the current low levels of capital receipts. Even greater pressure may be placed on future programmes if additional borrowing was made to fund new Council Houses, Depots, Sport Centre enhancements, Town Centre enhancement works, vehicle replacements, etc.
- 5.2 The draft Capital Programme for 2020/21 is attached at Appendix 3. Excluding the new commitments to fund town centre regeneration or further commercial/land acquisitions, the size of our current and future capital programmes remains very small, due to the reductions in funding and level of sale receipts and now only includes material projects that are essential maintenance, or asset replacement or income generating/cost reducing.

6.0 The Autumn PDGs and Cabinet meetings

- 6.1 The first round of draft budget meetings will allow discussions with Members, Senior Management, Group Managers and Finance Officers in order to review the proposed draft 2020/21 budget. This will include scrutinising and challenging the initial position (and confirming acceptance of all proposed savings put forward) and discussing any other budget areas that Members would like to see additional savings from.

- 6.2 Before the next round of PDGs and Cabinet in January the Council will receive formal confirmation regarding its; Formula Grant other emerging legislative changes, more information regarding the 2019/20 budget performance etc. At this point if any of the initial assumptions/estimates significantly worsen, then we will need to bring further savings options forward for consideration.

7.0 Public Consultation

- 7.1 Earlier years' consultations have consistently highlighted the three most valued services:

- REFUSE COLLECTION & RECYCLING - First
- PARKS, OPEN SPACES & PLAY AREAS - Second
- ENVIRONMENTAL HEALTH - Third

The three services valued the lowest comprised:

- COMMUNITY GRANTS - First
- PUBLIC CONVENIENCES - Equal second
- COMMUNITY SAFETY - Equal second

- 7.2 Working together with the Communications team the Group Manager for Financial Services is preparing a budget consultation survey which is due out this winter. The survey will provide valuable feedback to inform our future spending plans and ensure that we continue to provide services that are value for money to residents.

- 7.3 The survey will be circulated to all parish clerks, publicised in the local media and featured on our corporate website. It will also be published on social media. It is anticipated the survey will be open for a period of 6 weeks and once the results are analysed will form part of our budget setting process.

8.0 Statutory, Discretionary Services and the Level of Service Provision

- 8.1 Whilst the Council has a legal obligation to perform some activities, others are at the discretion of the elected members, subject to funding. Although some undertakings are clearly statutory and others clearly discretionary, there are some service areas that have elements of both.

- 8.2 The main *discretionary* services of the Council comprise:

- Business development (although a corporate priority)
- Community development (includes community group grants)
- Leisure facilities
- Parks and open spaces (identified as important to the public at 6.1)
- Shops and industrial units

What can we do to balance the budget?

- 8.3 An activity's net cost could be changed by one or more of these factors:

- a) Changing the frequency of service provision
- b) Changing the quality, instead of a “Platinum service” we may be forced to offer a “Silver service”
- c) Increasing fees or start charging for a service
- d) Reducing the overheads
- e) Stopping the activity entirely
- f) Different models of service delivery (including partnership)

8.4 Over the last five or six years the Authority has concentrated its efforts in maintaining frontline service levels across all sectors by reducing overheads and raising income. It is now clear that following those budgetary cuts some service areas are struggling to deliver their service plans, within their existing budgets. Indeed in a few cases external reviews have necessitated increasing the resources in a particular service area to meet our legal obligations.

What options are available if something is *statutory*?

8.5 Although we cannot stop the function, we may be able to approach it differently in terms of frequency or quality.

8.6 Some of our income streams are influenced by external market forces and in setting prices we have to be mindful of the going market rate. Aside from Council tax, the main income streams are:

- Building control fees
- Burial fees
- Car park charges
- Industrial unit rent
- Leisure centre fees
- Licence fees
- Market tolls
- Shop rents
- Planning fees
- Trade waste fees
- Garden waste

8.7 Any multi million pound business employing staff and utilising assets needs teams to support them and our frontline services are no different.

8.8 The key components, some statutory, others essential, include:

- Audit
- Accountancy
- Customer First
- Procurement (Buying goods and services)
- Human resources (Includes health and safety)
- IT
- Legal services
- Property services

8.9 For example our waste service has to have vehicles and depots to operate from, both of which need to be maintained. The staff need to be managed, to be paid, and legislation provides for health and safety considerations. Depots

and buildings such as Phoenix House are fixed costs, although even here we have created savings by renting out some space. The “back office” activities are therefore intrinsically linked to the “frontline” and savings from both areas have continued to be made.

9.0 Conclusion

- 9.1 The feedback from all of the PDGs and Scrutiny will be reported to the January Cabinet for consideration in order to set a balanced 2020/21 budget and agree a forward plan. Group Managers will be working with Leadership Team and elected members in order to determine ways in which savings of c£1.4m can be achieved over the next four years, based on the priorities identified in the Corporate Plan. Having identified possible savings, there will need to be careful consideration of their potential impact, probable lead times for delivery of that saving and any associated disengagement costs or possible ‘spend to save’ implications that would arise.

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Circulation of the Report: Leadership Team
Elected Members
Group Managers

GENERAL FUND REVENUE ACCOUNT DRAFT BUDGET SUMMARY 2020/21

	2019/2020 Proposed Budget	Movement	2020/2021 Proposed Budget
Notes	£	£	£
Cabinet	4,864,030	74,200	4,938,230
Community	3,526,058	(82,253)	3,443,805
Economy	(466,080)	(76,010)	(542,090)
Environment	2,735,050	222,740	2,957,790
Homes	1,169,080	36,940	1,206,020
TOTAL NET DIRECT COST OF SERVICES	11,828,138	175,617	12,003,755
Net recharge to HRA	(1,571,110)	(10,760)	(1,581,870)
Provision for the financing of capital spending	333,280	476,481	809,761
NET COST OF SERVICES	10,590,308	641,338	11,231,646
PWLB Bank Loan Interest Payable			
Finance Lease Interest Payable	44,420	-	44,420
Interest from Funding provided for HRA	(49,000)	-	(49,000)
Interest Receivable / Payable on Other Activities	167,580	295,604	463,184
Interest Received on Investments	(442,540)	(181,600)	(624,140)
Transfers into Earmarked Reserves	2,267,363	252,397	2,519,760
Transfers from Earmarked Reserves	(2,146,050)	514,000	(1,632,050)
Proposed Contribution from New Homes Bonus Reserve	(253,350)	253,350	-
TOTAL BUDGETED EXPENDITURE	10,178,731	1,775,089	11,953,820
Funded by: -			
Revenue Support Grant	-	-	-
Rural Services Delivery Grant	(466,695)	92,180	(374,515)
New Homes Bonus	(1,243,503)	(102,397)	(1,345,900)
BR Levy Re-distribution	(33,408)	33,408	-
Retained Business Rates	(3,213,597)	19,817	(3,193,780)
Business Rates Deficit	778,906	(1,178,906)	(400,000)
Business Rates Pooling Dividend	(100,000)	(50,000)	(150,000)
CTS Funding Parishes	-	-	-
Collection Fund Surplus	(71,330)	-	(71,330)
Council Tax (28,596.50 x £203.84)	(5,829,104)	(243,377)	(6,072,481)
TOTAL FUNDING	(10,178,731)	(1,429,275)	(11,608,006)
REQUIREMENT TO BALANCE THE BUDGET	-	345,814	345,814

Current Assumptions: -

1. Council Tax has been increased by £5 (the higher of £5 or 2%) from £203.84 to £208.84 with an increased property growth of 286.
2. 2020/21 Salary budgets include an assumed increase of 2% across all spinal scale points.
3. All earmarked reserves have been reviewed and adjustment made based upon existing need.
4. All income flows have been reviewed and adjusted for changes in demand and unit price.
5. Investment income has been based upon the existing lending criteria now in force.
6. Support services have been calculated in accordance with the annual process.
7. Car parking fees are based upon 2017/18 fees and vends.
8. New Homes Bonus receipts based on existing legislation changes.
9. BR Retained - The movement between the two years reflects 100% retention to 50% retention of growth
10. BR Deficit - 18/19 Significant increase in appeals provision resulted in a 19/20 Deficit. 19/20s growth although not reflected in year, results in a surplus in 20/21.

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2020-21 BUDGETS
TRANSFERS INTO EARMARKED RESERVES

APPENDIX 2

SERVICE	EARMARKED RESERVE		MAINT 20/21 BUDGET	PLANT 20/21 BUDGET	EQUIPMENT 20/21 BUDGET	VEHICLES 20/21 BUDGET	OTHER 20/21	NEW HOMES BONUS	
CP540	EQ686	PAYING CAR PARKS (MACHINE REPLACEMENT SINKING FUND)			3,000				
EQ754	EQ754	PHOENIX PRINTERS EQUIP SFUND			2,200				
ES100	EQ766	CEMETERIES	25,000						
ES450	EQ767	PARKS & OPEN SPACES	25,000						
GM960	EQ760	GROUNDS MAINTENANCE - PLANT		14,360					
LD201	EQ720	ELECTION COSTS - DISTRICT					20,000		
LD300	EQ721	DEMOCRATIC REP & MANAGEMENT					5,000		
PR810	EQ728	STATUTORY DEVELOPMENT PLAN					100,000		
PS880	EQ765	BUS STATION	5,000						
PS990	EQ685	FORE STREET MAINT S.FUND	5,000						
PS992	EQ685	MARKET WALK MAINT S.FUND	20,000						
RS140	EQ837	LEISURE SINKING FUND			75,000				
WS725	EQ761	KERBSIDE RECYCLING		20,000					
WS725	EQ763	RECYCLING MAINT SINKING FUND (DEPOT FLOOR)	2,700						
WS650	EQ839	WASTE PRESSURE WASHER			2,500				
IT500	EQ755	ICT EQUIPMENT SINKING FUND			189,500				
IE435	EQ653	NEW HOMES BONUS GRANT						1,345,900	
VARIOUS	EQ837	PROPERTY MAINTENANCE	100,000						
VARIOUS	EQ756	FLEET CONTRACT FUND				559,600			
TOTAL			182,700	34,360	272,200	559,600	125,000	1,345,900	2,519,760
2019/20			182,700	34,360	272,200	409,600	125,000	1,243,500	2,267,360
MOVEMENT			-	-	-	150,000	-	102,400	252,400

TRANSFERS FROM EARMARKED RESERVES

SERVICE	RESERVE		UTILISE NHB	OTHER	
EQ638	EQ638	DEV CONT LINEAR PARK		(4,170)	
EQ640	EQ640	W52 POPHAM CLOSE COMM FUND		(1,950)	
EQ641	EQ641	W67 MOORHAYES COM DEV FUND		(1,630)	
EQ642	EQ642	W69 FAYRECROFT WILLAND EX WEST		(4,620)	
EQ643	EQ643	W70 DEVELOPERS CONTRIBUTION		(6,650)	
EQ644	EQ644	DEV CONT WINSWOOD CREDITON		(3,080)	
ES733	EQ652	PUBLIC HEALTH		(52,090)	
PR225	EQ824	GARDEN VILLAGE PROJECT (PR225)		(55,360)	
PR400	EQ653	BUSINESS DEVELOPMENT	(45,000)		
PR400	EQ653	BUSINESS DEVELOPMENT	(100,000)		
IT400	EQ653	ICT EQUIPMENT SINKING FUND	(189,500)		
PR810	EQ728	STATUTORY DEVELOPMENT PLAN (PR810)		(61,890)	
VARIOUS	EQ756	VEHICLE LEASE		(549,110)	
RS100	EQ837	PROPERTY MAINTENANCE		(347,000)	
PS992/PS995	EQ838	GENERAL FUND SHOPS		(100,000)	
VARIOUS	EQ653	NHB TO FUND ADDITIONAL PROJECTS FLAGGED IN CAPITAL - DEEMED REVENUE IN NATURE	(110,000)		
TOTAL			(444,500)	(1,187,550)	(1,632,050)

2019/20

(587,850) (1,811,550) (2,399,400)

MOVEMENT

143,350 624,000 767,350

Estates Management

Leisure - all sites

Reception infrastructure review - all sites	120
All Leisure Etarmis - Security Wipe - (linked to security project).	30

Total Leisure	150
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Other MDDC Buildings

Pannier Market

Paving - Permanent Solution	150
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Phoenix House

Etarmis - Security Wipe - (linked to security project).	50
Boiler replacement & controls	90

General Car parks

MSCP Capital Project - Phase 2	589
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MDDC Depot sites

Carlu Close - Water containment for Waste Transfer Station	80
Land acquisition for operational needs	400

MDDC Shops/industrial Units

Market Walk - Flat roof replacement	30
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Public Conveniences

West Exe South - Remodelling - additional parking spaces	90
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Other Projects

Fire dampeners - Corporate sites	40
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Total Other	1,519
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HIF Schemes

Cullompton Town Centre Relief Road (HIF) bid	3,705
Tiverton EUE A361 Junction Phase 2 (HIF (bid)	250

Total HIF Schemes	3,955
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Affordable Housing Projects

Grants to housing associations to provide houses (covered by Commuted Sums)	17
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Total Afford Housing	17
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Private Sector Housing Grants

Disabled Facilities Grants–P/Sector	572
Wessex Reinvestment Trust Grants Scheme	75

Total PSH Grants	647
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TOTAL GF PROJECTS	6,288
	0

Other General Fund Development Projects

Other projected 3 Rivers Borrowing	13,757
3 Rivers scheme - Orchard House, Halberton	67
3 Rivers Scheme - Riverside Development (rear of Town Hall) Tiverton	1,442
Waddeton Park, Post Hill, Tiverton	4,615

TOTAL GF OTHER DEVELOPMENT PROJECTS	19,881
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GRAND TOTAL GF PROJECTS	26,169
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HRA Projects

Existing Housing Stock

Major repairs to Housing Stock	2,260
Renewable Energy Fund	150
Home Adaptations - Disabled Facilities	300

* Housing Development Schemes

HRA regeneration scheme 1	2,000
Affordable Housing/ Purchase of ex RTB	500
* Proposed Council House Building / Other schemes subject to full appraisal	
Depot rationalisation	1,000

Total HRA Projects	6,210
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HRA ICT Projects

Mobile working Hardware	25
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Total HRA ICT Projects	25
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GRAND TOTAL HRA PROJECTS	6,235
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0

GRAND TOTAL GF + HRA Projects	32,404
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0

MDDC Funding Summary

General Fund

	2020/21
EXISTING FUNDS	£k
Capital Grants Unapplied Reserve	664
Capital Receipts Reserve	70
NHB Funding	1,157
Other Earmarked Reserves	42
HIF Funding	2,401
Subtotal	4,334
NEW FUNDS	
PWLB Borrowing	21,835
Subtotal	21,835
Total General Fund Funding	26,169

Housing Revenue Account

	2020/21
EXISTING FUNDS	£k
Capital Receipts Reserve	1,861
NHB Funding	21
HRA Housing Maintenance Fund	1,846
Other Housing Earmarked Reserves	2,482
Subtotal	6,210
NEW FUNDS	
Revenue Contributions	25
Subtotal	25
Total Housing Revenue Account Funding	6,235

TOTAL FUNDING	32,404
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PDG SERVICE UNIT MOVEMENTS
APPENDIX 4

GENERAL FUND SUMMARY		Budget Net Direct Cost	Current Budgeted Net Direct Cost	Movement	+/- %
		2019/20	2020/21		
	Cabinet				
SCM01	Leadership Team	485,280	487,810	2,530	0.5%
SCM02	Corporate Functions	83,810	85,530	1,720	2.1%
SCM03	Corporate Fees/Charges	217,990	226,720	8,730	4.0%
SCM06	Pension Backfunding	909,440	919,310	9,870	1.1%
SFP01	Accountancy Services	411,470	432,050	20,580	5.0%
SFP02	Internal Audit	92,100	92,100	0	0.0%
SFP03	Procurement	111,400	119,850	8,450	7.6%
SFP04	Purchase Ledger	46,990	46,650	(340)	-0.7%
SFP05	Sales Ledger	45,360	45,540	180	0.4%
SHR01	Human Resources	329,580	349,070	19,490	5.9%
SHR02	Mddc Staff Training	33,040	33,750	710	2.1%
SHR03	Payroll	56,300	48,550	(7,750)	-13.8%
SHR04	Learning And Development	46,170	52,580	6,410	13.9%
SIT01	It Gazetteer Management	70,580	72,040	1,460	2.1%
SIT03	It Information Technology	902,030	888,870	(13,160)	-1.5%
SLD01	Electoral Registration	197,020	202,250	5,230	2.7%
SLD02	Democratic Rep And Management	477,680	482,470	4,790	1.0%
SLD04	Legal Services	347,790	353,090	5,300	1.5%
		4,864,030	4,938,230	74,200	1.5%
	Community PDG				
SCD01	Community Development	87,500	77,650	(9,850)	-11.3%
SCS20	Customer Services Admin	110,360	77,680	(32,680)	-29.6%
SCS22	Customer First	660,150	702,265	42,115	6.4%
SES01	Emergency Planning	8,280	7,500	(780)	-9.4%
SES04	Public Health	4,090	3,990	(100)	-2.4%
SES11	Pool Cara	-	2,830	2,830	N/A
SES16	Es Staff Units/Recharges	760,700	782,280	21,580	2.8%
SES17	Community Safety	6,350	6,220	(130)	-2.0%
SES18	Food Safety	(21,140)	(21,070)	70	-0.3%
SES21	Licensing	(3,250)	12,920	16,170	-497.5%
SES22	Pest Control	5,000	5,000	0	0.0%
SES23	Pollution Reduction	(720)	(650)	70	-9.7%
SPR01	Building Regulations	3,400	(8,720)	(12,120)	-356.5%
SPR02	Enforcement	105,820	108,900	3,080	2.9%
SPR03	Development Control	330,710	346,300	15,590	4.7%
SPR04	Local Land Charges	(20,530)	(20,040)	490	-2.4%
SPR09	Forward Planning	252,520	237,940	(14,580)	-5.8%
SPR11	Regional Planning	116,000	99,390	(16,610)	-14.3%
SRB01	Collection Of Council Tax	294,730	314,070	19,340	6.6%
SRB02	Collection Of Business Rates	(102,250)	(103,370)	(1,120)	1.1%
SRB03	Housing Benefit Admin & Fraud	177,740	199,680	21,940	12.3%
SRB04	Housing Benefit Subsidy	(45,000)	5,000	50,000	-111.1%
SRB06	Debt Recovery	105,180	106,620	1,440	1.4%
SRS01	Recreation And Sport	690,418	501,420	(188,998)	-27.4%
		3,526,058	3,443,805	(82,253)	-2.3%
	Economy PDG				
SCD02	Economic Development - Markets	50,180	39,820	(10,360)	-20.6%
SCP01	Parking Services	(531,710)	(690,290)	(158,580)	29.8%
SES03	Community Safety - C.C.T.V.	2,310	6,010	3,700	160.2%
SPR06	Economic Development	444,000	433,500	(10,500)	-2.4%
SPS12	GF Properties Shops / Flats	(430,860)	(331,130)	99,730	-23.1%
		(466,080)	(542,090)	(76,010)	16.3%

GENERAL FUND SUMMARY		Budget Net Direct Cost	Current Budgeted Net Direct Cost	Movement	+/- %
		2019/20	2020/21		
	<u>Environment PDG</u>				
SES02	Cemeteries	(86,540)	(85,670)	870	-1.0%
SES05	Open Spaces	91,800	128,930	37,130	40.4%
SGM01	Grounds Maintenance	633,740	619,760	(13,980)	-2.2%
SPS01	Asset Management	30,000	40,000	10,000	33.3%
SPS03	Flood Defence And Land Drain	26,430	26,430	0	0.0%
SPS04	Street Naming & Numbering	7,560	7,730	170	2.2%
SPS07	Public Transport	(13,220)	(13,190)	30	-0.2%
SPS11	Public Conveniences	61,800	60,710	(1,090)	-1.8%
SWS01	Street Cleansing	483,130	502,010	18,880	3.9%
SWS02	Waste Collection	369,210	425,780	56,570	15.3%
SWS03	Recycling	824,550	863,020	38,470	4.7%
SWS04	Waste Management	306,590	382,280	75,690	24.7%
		2,735,050	2,957,790	222,740	8.1%
	<u>Homes PDG</u>				
SES15	Private Sector Housing Grants	(6,070)	(7,640)	(1,570)	25.9%
SHG03	Homelessness Accommodation	212,630	242,710	30,080	14.1%
SPS05	Administration Buildings	257,790	238,200	(19,590)	-7.6%
SPS06	Mddc Depots	38,040	38,190	150	0.4%
SPS08	Office Building Cleaning	65,980	61,980	(4,000)	-6.1%
SPS09	Property Services Staff Unit	600,710	632,580	31,870	5.3%
		1,169,080	1,206,020	36,940	3.2%
	GRAND TOTAL	11,828,138	12,003,755	175,617	1.48%

HOMES PDG 2020/21 Service Unit Budgets

SES15 Private Sector Housing Grants

Group	Description	2018/19 Actuals	2019/20 Budget	2020/21 Budget	Movement
1000	Employees	81	17,340	0	(17,340)
3000	Transport	809	0	0	0
4000	Cost Of Goods And Services	18,358	2,090	1,860	(230)
7000	Income	(101,275)	(25,500)	(9,500)	16,000
	Sum:	(82,028)	(6,070)	(7,640)	(1,570)

Cost Centre	Cost Centre Name	2020/21 Budget
ES354	Private Sector Housing Team	(7,640)
	TOTAL	(7,640)

Major cost increases

Employees - Removal of temporary HMO officer post (0.5 FTE). This saving is off-set by reduction in income.

Major cost decreases and changes in income

Income reduction to be off-set by reduction in employee costs.

SHG03 Homelessness Accommodation

Group	Description	2018/19 Actuals	2019/20 Budget	2020/21 Budget	Movement
1000	Employees	252,216	273,180	277,340	4,160
2000	Premises	3,167	7,750	8,020	270
3000	Transport	13,572	14,950	11,980	(2,970)
4000	Cost Of Goods And Services	325,223	354,140	327,090	(27,050)
7000	Income	(595,189)	(437,390)	(381,720)	55,670
	Sum:	(1,011)	212,630	242,710	30,080

Cost Centre	Cost Centre Name	2020/21 Budget
HG320	Housing & Homelessness Advice	124,970
HG340	Community Land Trusts	0
HG345	Rough Sleeping Initiative	0
HG347	Rough Sleeping Init Mddc/Eddc	0

HG350	Community Alarms	(117,680)
HG373	Housing Options Staff	235,420
HG376	Ivor Macey House Project	0
	TOTAL	242,710

Major cost increases

Homelessness: Increase to bad debt budgets of £15k

Major cost decreases and changes in income

Community Alarms-reduced advertising and miscellaneous expenses by £10k

Homelessness-forecast £25k reduction in Discretionary Rent Allowance income

Homelessness-Grant contributions for 20/21 have not been established, £49k was utilised in 19/20-will be revisited for 20/21 final budget

SPS05 Administration Buildings

Group	Description	2018/19 Actuals	2019/20 Budget	2020/21 Budget	Movement
1000	Employees	320	0	0	0
2000	Premises	249,150	309,160	286,060	(23,100)
3000	Transport	0	0	0	0
4000	Cost Of Goods And Services	62,870	29,550	32,160	2,610
7000	Income	(74,393)	(80,920)	(80,020)	900
	Sum:	237,947	257,790	238,200	(19,590)

Cost Centre	Cost Centre Name	2020/21 Budget
PS810	Phoenix House	238,200
PS820	Dcc Library	0
PS830	Town Hall	0
PS840	Crediton Office Building	0
	TOTAL	238,200

Major cost increases

No movement to report.

Major cost decreases and changes in income

Premises - Removal of some Specific Revenue Project spend.

SPS06 Mddc Depots

Group	Description	2018/19 Actuals	2019/20 Budget	2020/21 Budget	Movement
1000	Employees	0	0	0	0
2000	Premises	38,516	36,680	37,690	1,010
4000	Cost Of Goods And Services	39,705	1,360	500	(860)
	Sum:	78,221	38,040	38,190	150

Cost Centre	Cost Centre Name	2020/21 Budget
PS850	Old Road Depot	38,190
PS860	Station Yard Depot	0
PS870	Lords Meadow Depot	0
	TOTAL	38,190

Major cost increases

No movement to report.

Major cost decreases and changes in income

No movement to report.

SPS08 Office Building Cleaning

Group	Description	2018/19 Actuals	2019/20 Budget	2020/21 Budget	Movement
1000	Employees	27,945	53,240	31,640	(21,600)
2000	Premises	583	0	0	0
4000	Cost Of Goods And Services	25,381	12,740	30,340	17,600
	Sum:	53,909	65,980	61,980	(4,000)

Cost Centre	Cost Centre Name	2020/21 Budget
PS970	Office Building Cleaning	61,980
	TOTAL	61,980

Major cost increases

External contractors budget increased to cover sickness and holiday as no resilience within Office Cleaning.

Major cost decreases and changes in income

Employees - savings due to removal of vacant hours.

SPS09 Property Services Staff Unit

Group	Description	2018/19 Actuals	2019/20 Budget	2020/21 Budget	Movement
1000	Employees	490,134	568,940	590,510	21,570
2000	Premises	5,259	0	0	0
3000	Transport	29,245	23,850	32,070	8,220
4000	Cost Of Goods And Services	16,914	7,920	10,000	2,080
7000	Income	6,283	0	0	0
	Sum:	547,835	600,710	632,580	31,870

Cost Centre	Cost Centre Name	2020/21 Budget
PS700	Contract Services - P-Health	10,300
PS980	Property Services Staff Unit	622,280
	TOTAL	632,580

Major cost increases

Employees - 2% budgeted payrise and increased overtime budget to deal with out of hours maintenance contracts.

Major cost decreases and changes in income

No movement to report.

HOMES PDG
3 DECEMBER 2019

DRAFT 2020/21 HOUSING REVENUE ACCOUNT (HRA) BUDGET

Cabinet Member Cllrs Alex White and Simon Clist
Responsible Officer Andrew Jarrett, Deputy Chief Executive (S151) and
Andrew Pritchard, Director of Operations

Reason for Report: To consider options available in order for the Council to set a balanced budget for 2020/21.

RECOMMENDATION(S): To consider the draft budget proposals for 2020/21 and note the proposed balanced position at this time.

Relationship to Corporate Plan: To deliver our Corporate Plan priorities within existing financial resources.

Financial Implications: The Housing Revenue Account currently has a balanced budget for 2020/21. It is a statutory requirement for the local authority to set a balanced budget each year.

Legal Implications: None directly arising from this report, although there is a legal obligation to balance the budget. There are legal implications arising from any future consequential decisions to change service provision, but these would be assessed at the time.

Risk Assessment: The MTFP makes a number of financial assumptions based on a sensible/prudent approach, taking account of the most up to date professional advice that is available.

Equality Impact Assessment: It is considered that the impact of this report on equality related issues will be nil.

Climate Change Assessment: The allocation of resources will impact upon the Council's ability to implement/fund new activities linked to climate change, as the MTFP sets the broad budgetary framework for the Council over the coming years.

1.0 Introduction

- 1.1 The HRA is a ring-fenced account within Mid Devon's financial accounting system. This means that a balanced budget must be set each year including all income and expenditure pertinent to the Council's landlord function and excluding all other income and expenditure (since this would be captured as part of the General Fund budget).
- 1.2 This report sets out management's proposals for a draft HRA budget for 2020/21 and Members will see from Appendix 1 that, as it stands, the budget has been balanced. The report outlines a few high level issues affecting the HRA today, along with how they may impact when setting the final budget for 2020/21. The report makes recommendations to Members to note its content and to highlight issues expected to affect the HRA in the future.

2.0 Key issues

Right to Buy Property Sales

- 2.1 Central Government has imposed a Right to Buy (RTB) policy on local authority landlords which is extremely generous to the tenant but which is detrimental to the running of an HRA. The result of this is that our tenants are incentivised to exercise their right to buy and each time they do, our rental income is reduced and the sale proceeds are limited.
- 2.2 At present, a tenant could pay as little as £30,000 for a £100,000 house. In such a case as this, the Council would retain only a portion of this as some of the money has to be returned to Central Government. If we then fail to spend sufficient funds on building new homes during the subsequent three years, more of the sales proceeds have to be returned to Central Government.

Rent changes

- 2.3 In 2015 Central Government announced that social and affordable rents would decrease by 1% each year for the four years from 2016/17 to 2019/20. The budget being set for 2019/20 was the fourth and final year of this policy. This restriction has now expired and the Formula now allows an increase (in keeping with previous years) of CPI + 1%, which will result in a maximum increase of 2.7%. Please note that, according to Central Government, Formula Rent is the maximum amount of rent that properties on social rent are to be charged.
- 2.4 Despite this proposed increase, whilst we currently have sufficient funds to carry out the day-to-day running of the service, it is a challenge for the Council to build new homes at the rate that Central Government requires, with the funds available.

Other income

- 2.5 Proposed increases to garage rents and garage ground rents are set out at Appendix 3.

3.0 Direct Labour Operation (DLO) carrying out non DLO works

- 3.1 Each year any low demand periods experienced by our operatives are put to good use by carrying out works that might otherwise require the Council to use an external contractor and so incur additional cost. In doing so, the repairs team are able to recharge a significant amount of their costs to the relevant area and so reduce the overall DLO budget.
- 3.2 For 2020/21 the DLO have budgeted to transfer £1.2m of their costs to other areas as well as doing £600k disabled adaptations work. This is a huge achievement as well as the obviously demanding task of maintaining an excellent repairs service.

4.0 Recommendation

- 4.1 It is recommended that Members consider the proposals for this draft HRA budget along with the details laid out in this report. It is also recommended that Members note that this report already proposes a balanced budget for 2020/21. This is positive in that it means that there are no savings still to be found to balance the budget.
- 4.2 However, it should be noted that as this report is a first draft of the 2020/21 budget, invariably some items within the budget are likely to change between now and the actual budget being agreed by Council and these changes could come as a result of Members' suggestions, management proposals or central government instructions.

5.0 Future issues

- 5.1 Universal Credit has been the biggest uncertainty in social housing for the last few years and continues to be so. We are currently managing to mitigate this new pressure, which is time-consuming and labour intensive, but we are mindful that the managed migration of the majority of claimants is yet to come with no firm timetable for this at the time of writing. There may yet be spikes as migration continues and this is a risk which should be considered when workforce planning.
- 5.2 Now that the enforced reduction in rents has expired, there will be the ability for increases at CPI + 1% for five years. After that, it is unclear what rent policy Central Government will impose. Clearly, the costs of running the service will increase with inflation over the coming years and so it is hoped that rent collected will be sufficient to meet the needs of the service.
- 5.3 The change to the rent charging policy is good news in terms of the sustainability of the HRA over the long term, however the pressure the RTB policy has on the HRA bottom line cannot be underestimated.
- 5.4 The Council will continue to evaluate its options for maintaining its stock levels through acquisitions and new building programmes; this will be assessed against the funding costs for such activities.
- 5.5 Modelling is underway to look at the tipping point where stock numbers dwindle to a level where our known costs, i.e. our maintenance programme and our fixed 'mortgage', will no longer be manageable against a reduced rental income.

6.0 Conclusion

- 6.1 This report has set out a proposed balanced budget for the HRA for 2020/21, with appendices attached showing the following:
- 6.1.1 The overall make-up of the budget at summary level.
- 6.1.2 An extract from the planned and cyclical maintenance budget.

- 6.1.3 Rental forecast figures for 2020/21.
- 6.1.4 Proposed garage rents and garage ground rents for 2020/21.
- 6.1.5 Assumptions made for the draft 2020/21 budget (Appendix 5).
- 6.2 It is recommended that Members note the contents of this report and details of the proposed budget. A further, more detailed report will come to the PDG in January 2020 prior to approval by Council in February.

Contact for more Information: JP McLachlan, Principal Accountant, 01884 234944 (jpmclachlan@middevon.gov.uk)

Circulation of the Report: Cllrs Alex White and Simon Clist, Leadership Team, Group Managers for Housing Services and Building Services

HRA Draft Budget 2020/21

Code	Service Unit	Previous Year Outturn	Current Year Budget	Movement	Proposed Budget 2020/21
SHO01	Dwelling Rents Inc	(12,181,633)	(11,977,170)	(389,580)	(12,366,750)
SHO04	Non Dwelling Rents Inc	(565,736)	(564,870)	(30,850)	(595,720)
SHO07	Leaseholders' Ch For Serv	(26,633)	(21,640)	0	(21,640)
SHO08	Contributions Towards Exp	(116,226)	(27,720)	(1,500)	(29,220)
SHO10	H.R.A. Investment Income	(99,169)	(83,000)	30,000	(53,000)
SHO11	Misc. Income	(189,583)	(7,350)	0	(7,350)
SHO13A	Repairs & Maintenance	3,152,591	3,174,000	348,790	3,522,790
SHO17A	Housing & Tenancy Services	1,229,082	1,732,360	(226,310)	1,506,050
SHO29	Bad Debt Provision	28,083	53,000	0	53,000
SHO30	Share Of Corp And Dem	294,567	199,100	2,060	201,160
SHO32	H.R.A. Interest Payable	1,165,119	1,178,580	(67,620)	1,110,960
SHO34	H.R.A. Trf To/From Emr	3,046,802	1,713,350	297,220	2,010,570
SHO37	Capital Receipts Res Adj	(16,900)	(26,000)	0	(26,000)
SHO38	Major Repairs Allowance	2,080,581	2,285,000	(25,000)	2,260,000
SHO45	Renewable Energy Transactions	(142,709)	(139,000)	0	(139,000)
	Sum:	(2,341,763)	(2,511,360)	(62,790)	(2,574,150)

Code	Service Unit	Current Year Budget	Movement	Proposed 20/21 Budget
1000	Employees	2,621,550	255,190	2,876,740
2000	Premises	194,770	2,550	197,320
3000	Transport	266,510	(10,470)	256,040
4000	Cost Of Goods And Services	7,395,180	24,350	7,419,530
7000	Income	(12,989,370)	(334,410)	(13,323,780)
		(2,511,360)	(62,790)	(2,574,150)
5000	Recharges	1,534,110	84,760	1,618,870
6000	Capital Charges	977,250	(21,970)	955,280
		0	0	0

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HRA Rent Budget 2019/20

Description	Average rent (52 week basis) £	Average properties 2020/21	Annual rent total £	Void level	Annual rent total (less voids)	Budget (rounded)
Social rent (in use)	79.44	2,907	12,008,468	0.69%	11,925,610	11,925,610
Affordable rent properties	113.59	81	478,441	0.69%	475,140	475,140
Rent written off					(35,000)	(35,000)
Write-offs recovered					1,000	1,000
HO700 budget					12,366,750	12,366,750
Affordable rent surplus					87,163	87,160
TOTAL		2,988				

Formula Rent	79.55
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HRA: Proposed Fees and Charges 2020/21

	<u>2019/20</u>	<u>Increase</u>	<u>Increase %</u>	<u>2020/21</u>
Garage rents per week (48 week basis) <i>It should be noted that council tenants receive a discount of £2.00 per week on any garage rent</i> (note rents for 20/21 will be charged on a 52 week basis)	£11.10	£0.50	4.50%	£11.60
Garage ground rents (Annual charge)	£250	£25	10.00%	£275
<u>N.B</u>				
MDDC Formula Rent on average (52 weeks)	£77.46			£79.55

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Appendix 4

HO130 Planned & Cyclical Maintenance (extract)

Cost Centre	Account	Account Description	Proposed Budget 2019/20
HO130	4205	Insulation	10,000
	4213	Asbestos Work	200,000
	4215	Legionella Testing	55,530
	4216	Electrical Remedials	45,000
	4225	Smoke Detectors	130,000
	4230	Gas Servicing	300,000
	4231	Lift Maintenance	1,000
	4232	Painting & Repairs	300,000
	4233	Legionella Works	30,000
	4236	Air Source Heat Pump Servicing	45,000
	4239	Carbon Monoxide Detectors	40,000
	4243	Door Entry Systems	5,000
	4245	Sanctuary Works - H.R.A Stock	5,000
	4247	Solid Fuel Cyclical Testing	9,500
	4248	Electrical Cyclical Testing	66,000
	4522	Solid Fuel Repairs	9,000
HO130		Sum:	1,251,030

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- All rents to increase up to a maximum of 2.7% subject to rent caps
- Twenty properties sold during 20/21
- Average of 19 void properties
- Affordable rents to increase subject to the market rent cap (to an average of £113.59 per week (over 52 weeks)
- Garage rents to increase by 50p per week, to £11.60 (based on a 48 week year)
- Garage ground rents proposal to increase from £250 to £275 per annum
- Income generated from HRA retail units expected to remain at current levels
- Base pay increase of 2% also planned salary increase to cover future projects work circa £173k
- Cost of Goods and Services has increased due to an increased contribution being made to the Housing Maintenance Fund
- Returns on external invested cash balances forecast to be lower on 20/21 (£33k)
- PWLB debt repayments, based on the nature of the borrowing, is £2.645m, however the make-up for 20/21 shows interest payments of £0.975m a reduction of £94k on 19/20. We have budgeted to fund a capital project from borrowing, estimate of interest in 20/21 £89k. We will pay to the General Fund £46k of interest on internal borrowing
- £1.079m contribution to the Housing Maintenance Fund to be made.
- Recharges (in) to increase by £85k

Assumptions**6000 CAPITAL CHARGES**

	£000
MRP for capital financing (Well Park)	39
Depreciation	2,000
Depreciation Reversal	(2,000)
PWLB loan MRP	916
	<u>955</u>

SHO34 HRA Transfer to/from EMR

Surplus amount	1,079
Renewable energy surplus	139
Affordable Rent surplus	87
Loan Premium Deficit	706
	<u>2,011</u>

PWLB LOAN

Principal repaid	1,622
Principal accounted for	916
Loan Premium deficit	<u>706</u>

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HOMES PDG
3 DECEMBER 2019

HRA MEDIUM TERM FINANCIAL PLAN

Cabinet Member Cllr Simon Clist
Responsible Officer Andrew Jarrett, Deputy Chief Executive (S151) and
Andrew Pritchard, Director of Operations

Reason for Report: This report provides an estimate of the budget required for the operation of the Housing Revenue Account (HRA) from 2020/21-2023/24.

RECOMMENDATION: That the PDG note the content of this report.

Relationship to Corporate Plan: The Medium Term Financial Plan (MTFP) sets out the financial resources available to deliver the Council's ongoing Corporate Plan pledges/objectives with regard to the landlord function.

Financial Implications: By undertaking an annual review of the MTFP the Council can ensure that its Corporate Plan pledges/objectives are affordable.

Legal Implications: None directly arising from this report, although there is a legal obligation to balance the budget. There are legal implications arising from any future consequential decisions to change service provision, but these would be assessed at the time.

Risk Assessment: The MTFP makes a number of financial assumptions based on a sensible/prudent approach, taking account of the most up to date professional advice that is available.

Equality Impact Assessment: It is considered that the impact of this report on equality related issues will be nil.

Climate Change Assessment: The allocation of resources will impact upon the Council's ability to implement/fund new activities linked to climate change, as the MTFP sets the broad budgetary framework for the Council over the coming years.

1.0 Introduction

- 1.1 The Finance and Housing officers have now collated a draft budget for 2020/21 which proposes a balanced budget position, shown as part of a separate report at this meeting.
- 1.2 Further to this, the Group Managers for Housing Services and Building Services, together with the HRA Accountant, have agreed assumptions for the forthcoming years, in order to determine a reasonable forecast of the financial position of the Housing Revenue Account (HRA) in the coming years.

2.0 Medium Term Assumptions

- 2.1 The largest number in the HRA is the dwelling rent figure. Central Government has previously dictated that Mid Devon's Formula Rent (FR) would decrease by 1% for 4 years, until 2019/2020. This has effectively cost the HRA circa £2min rental uplift during this period. This restriction has now expired and the Formula now allows an increase (in keeping with previous years) of **CPI + 1% which will result in a maximum increase of 2.7%**. Please note that according to Central Government, FR is the maximum amount of rent that properties on social rent are to be charged.
- 2.2 Other areas of income such as garage rents, shop rents and service charges, tend to see price changes that are small incremental changes or not at all. For this reason, the plan assumes that these budgets will not change from 2020/21, with tenancy rents being the only projected change.
- 2.3 The operational costs of the premises and transport are broadly expected to rise by between 2% and 3% per year. The transport budget has been adjusted to implement the new fleet contract.
- 2.4 Since the annual debt repayments are a known quantity, we are able to predict these into the medium term and beyond with some certainty. The only expected increases here are where further debt is taken on to fund large scale projects.
- 2.5 Recharges between the General Fund and HRA are yet to be finalised, but overall the position between the HRA and the General Fund has been assumed as increasing by 3% per annum.

HRA Reserve

- 2.6 It is anticipated that the HRA reserve balance will stand at £2m at the beginning of 2020/21. There is no plan to utilise the reserve to fund revenue expenditure and so the balance should remain at this level throughout the period up to the end of 2023/24.
- 2.7 In an effort to address the needs identified in the Housing 30 year Asset Management Plan, an amount is to be invested in an earmarked reserve for the long term maintenance of the properties (the Housing Maintenance Fund or HMF). This fund will be used to cover any shortfall in future years, when the demand is greater than tenant rents can meet.

3.0 Future Issues

- 3.1 The HRA Budget report 2020/21, also presented at this meeting, describes the following issues.
- Universal Credit – the ongoing impact
 - Rent Policy – following the decreases until 2019/20, a return to incremental increases

- RTB impact and servicing the 25yr HRA mortgage
- Maintaining our stock levels
- Forecasting the break-even timeline in terms of managing our known costs against a declining housing stock

3.2 Clearly, there are significant challenges facing the HRA. As soon as more detailed information becomes available individual reports will be produced for Members' consideration and the subsequent Medium Term Financial Plan will take account of them.

4.0 Conclusion

4.1 This meeting is being provided with the first draft of the MTFP, the first opportunity for the group to consider the MTFP and our assumptions prior to approval of the HRA Budget by Full Council on 26 February 2020.

Contact for more information: Andrew Jarrett, Deputy Chief Executive (S151) – 01884 234242 / ajarrett@middevon.gov.uk and JP McLachlan, Principal Accountant – 01884 234944 / jpmclachlan@middevon.gov.uk

Circulation of the report: Cabinet Member for Housing, Leadership Team, relevant Group/Service Managers

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Appendix 1
HRA MEDIUM TERM FINANCIAL PLAN 2020 TO 2023-24

	Current Base								
	2019-20	Infl	2020-21	Infl	2021-22	Infl	2022-23	Infl	2023-24
	£	%	£	%	£	%	£	%	£
Employee costs									
Cost pressures			0		0		0		0
Savings			0		0		0		0
Base budget	2,621,550		2,876,740		2,934,275		2,992,960		3,052,820
<i>Inflation base</i>	2,621,550		2,876,740	2.0%	2,934,275	2.0%	2,992,960	2.0%	3,052,820
One off initiatives	0		0		0		0		0
Total in year cost	2,621,550		2,876,740		2,934,275		2,992,960		3,052,820
Premises costs									
Cost pressures			0		0		0		0
Savings			0		0		0		0
Base budget	194,770		197,320		201,266		205,292		209,398
<i>Inflation base</i>	194,770		197,320	2.0%	201,266	2.0%	205,292	2.0%	209,398
One off initiatives									
Total in year cost	194,770		197,320		201,266		205,292		209,398
Transport related costs									
Cost pressures			0		0		0		0
Savings					0		0		0
Base budget	266,510		256,040		270,580		282,970		293,390
<i>Inflation base</i>	266,510		256,040		270,580		282,970		293,390
One off initiatives									
Total in year cost	266,510		256,040		270,580		282,970		293,390
Supplies and services									
Cost pressures			0						0
Savings			0		0		0		0
Base budget	2,218,250		2,038,000		2,099,140		2,162,110		2,226,970
<i>Inflation base</i>	2,218,250		2,038,000	3.0%	2,099,140	3.0%	2,162,110	3.0%	2,226,970
One off initiatives									
Total in year cost	2,218,250		2,038,000		2,099,140		2,162,110		2,226,970
Support services	1,534,110		1,618,870	3.0%	1,667,436	3.0%	1,717,459	3.0%	1,768,983
Total gross expenditure	6,835,190		6,986,970		7,172,697		7,360,791		7,551,560
Rents , fees, charges and grants									
Cost pressures			0		0		0		0
Growth/Savings			0		(237,730)		(241,870)		(246,070)
Base budget	(12,989,370)		(13,323,780)		(13,323,780)		(13,561,510)		(13,803,380)
<i>Inflation base</i>	(12,989,370)		(13,323,780)		(13,561,510)		(13,803,380)		(14,049,450)
One off initiatives	0		0		0		0		0
Total in year cost	(12,989,370)		(13,323,780)		(13,561,510)		(13,803,380)		(14,049,450)
NET COST OF SERVICES	(6,154,180)		(6,336,810)		(6,388,813)		(6,442,589)		(6,497,890)
Interest Payable	1,130,100		1,064,600		1,016,560		967,100		916,172
Interest Payable HRA to GF	48,480		46,360		44,190		41,950		39,650
Capital Financing	977,250		955,280		986,280		986,280		986,280
Contribution to Capital - MRA	2,285,000		2,260,000		2,327,800		2,397,630		2,469,560
Affordable Rent surplus	72,330		87,160		87,160		186,959		291,930
Transfer to Housing Maintenance Fund (HMF)	902,870		1,217,630		1,173,002		1,059,390		940,089
Principal adjustment	738,150		705,780		753,820		803,280		854,209
Budget (Surplus) / Deficit	0		0		0		0		0
Opening balance 01 April	(2,000,000)		(2,000,000)		(2,000,000)		(2,000,000)		(2,000,000)
Closing balance 31 March	(2,000,000)		(2,000,000)		(2,000,000)		(2,000,000)		(2,000,000)

Assumptions

- Salary costs will increase by 2%, at existing FTE levels
 - Transport costs based on fleet contract, all other costs 3% inflation
 - Tenancy rents assumed growth each year at CPI+1% net of estimated RTBs
- No other assumed changes beyond 2021 re income areas

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HOMES POLICY DEVELOPMENT GROUP 3 DECEMBER 2019

Draft Corporate Plan 2020-24

Cabinet Member(s): Leader, Cllr Bob Deed
Responsible Officer: Chief Executive, Stephen Walford

Reason for Report: To consider the first draft text of a new corporate plan for the council, which will replace the current plan (expiring in March 2020).

RECOMMENDATION:

That the PDG considers the draft text and provides its views and comments to the Cabinet in order that a revised draft can be considered in advance of recommendations to full council.

Relationship to Corporate Plan: This report introduces a first draft of what will replace the current corporate plan. The new corporate plan will set the overarching direction of travel for the council and will guide all future decision-making for the next four year cycle.

Financial Implications: The adoption of a new corporate plan will set the direction of policy travel for the council at a strategic level. However, it does not have any direct actions associated with it at this point, and the council's financial context will continue to be set at a strategic level via the annual budget and Medium Term Financial Planning processes. To that end, subsequent decisions that may be taken to realign activity to the new corporate plan in due course, will each be subject to the appropriate impact assessments given to decisions made by the council in the normal way.

Legal Implications: As above.

Equalities Impact Assessment: As above

Risk Assessment: As above.

Climate Change: As above.

1.0 Introduction

- 1.1 The current council Corporate Plan expires in March 2020. The council administration has substantially changed following the election in May 2019, and a cabinet of mixed political makeup now forms the executive.
- 1.2 As part of the arrangements for renewing the Corporate Plan, the new approach was discussed at an early stage with the new cabinet once those members had collectively had the chance to consider shared priorities. It was then the subject of an all-member workshop session on 6th September 2019, where the whole membership had the opportunity to contribute.

2.0 Direction of Travel

- 2.1 The member ‘away day’ produced not only a range of content, but also confirmed that there was cross-party support for a continuation of the four ‘thematic’ headings of the council’s current Corporate Plan approach (Community, Economy, Environment, Homes). This is notable since it also goes in some way to the format of governance arrangements of the council, since the four Policy Development Groups (PDGs) are based on these overarching headings. By agreeing to continue with the overarching themes, the council is giving clarity and certainty to the PDGs that are currently in place – making the most of experience and knowledge already clustered around these themes as a format for continuing policy development and onwards recommendations to cabinet. It is worthwhile recalling at this point that the council’s most recent Corporate Peer Review (March 2017) described the PDGs as *‘a novel concept that provides an opportunity for wider member involvement in the work of the council...[providing] a resource for the council to develop new policy ideas and recommend these to cabinet’*.
- 2.2 Alongside the four headings, there was an almost universally-agreed notion of embedding sustainability more prominently within the new plan. This would seem to be supported by a range of discussions and motions discussed by full council in recent months. This has been effected by introducing the plan as a matrix model rather than being presented as a purely thematic-based approach. There is no (and no need for) exact science about the formatting, but bearing in mind this will be the top-level public-facing expression of the council’s approach to prioritising outcomes, it is important for it to be well-understood without a lengthy supporting narrative.
- 2.3 Since the member workshop, the content has been refined in discussion with the cabinet to try and balance the many and varied priorities that were put forward, with the result that the first draft of a new Corporate Plan is attached at Appendix A for members’ consideration.

3.0 Next Steps

- 3.1 The draft text at Appendix A forms the bare content of what the council will be seeking to try and achieve over the next four-year term. Officers in the communications team have already been tasked with starting work on layout and imagery to turn the raw content into a viable public-facing document, but it was felt that members’ time would be best focused on discussing and debating content rather than considering the types of pictures, layouts, fonts used etc.
- 3.2 This will be going to each of the four PDGs, with a report then being taken to cabinet to try and take on board all viewpoints and comments made, so that the final version is seen as a genuinely co-produced document, as part of an open and transparent process.

- 3.3 As the final document forms the headline document in the council's adopted policy framework, the new Corporate Plan will need to be approved by full council, so the decision of cabinet will be to recommend to full council in due course.
- 3.4 Ideally, the new Corporate Plan will be in a position to be adopted by full council alongside the budget at February's meeting of full council.
- 3.5 It is proposed that the current system of publicising 'priority activities' each year and publishing these online, continues as per the delegations agreed under the previous administration – in order to be transparent on delivery activity while ensuring the document is kept 'live' on an annual basis.

List of Background Papers:

Appendix A – draft corporate plan text

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Appendix A - Draft 2020-24 Corporate Plan (text only) 'Sustainability and Regeneration'					
		Environment	Homes	Economy	Community
Sustainable and Prosperous Communities		<p><i>Our villages and towns need affordable housing for local people. We aim to build more social rented housing and housing for purchase that is truly affordable. We seek to bring higher skilled and better paid jobs to the district, promoting economic development and greater economic diversity. Local businesses need incubation space, grow-on space, and places to expand - and digital businesses need the capability and capacity to work from home as well as a business park. Long distance commuting will have to drastically reduce in future to deliver on our carbon objectives, and we will support people seeking to lead a more 'local' life; living, working, eating, shopping, and spending locally. We aim to ensure that new housing and commercial developments support, and are consistent with, the Council's policies on Climate Change. These objectives will be achieved by encouraging and, where necessary, intervening in the market to deliver the jobs and sustainable communities, and by working in partnership with statutory and non statutory bodies to win the resources we need.</i></p>			
		Encourage retro-fitting of measures to reduce energy use in buildings	Deliver more affordable housing and greater numbers of social rented homes	Work with developers to secure our ambitious plans for J27 'Devon Gateway' development site	Work with developers and DCC to deliver strategic cycle routes between settlements and key destinations
		Encourage "green" sources of energy supply new policies and develop plans to decarbonise energy consumption in Mid Devon	Work with Community Land Trusts and other organisations to deliver homes retained in perpetuity for local need	Consider acquiring or creating new business parks to accelerate economic growth	Secure decent digital connectivity for all of Mid Devon
		Identify opportunities to work with landowners to secure additional hedgerow planting, biodiversity and reforestation	Work with landlords to ensure the quality of homes in the private rented sector	Identify strategic and tactical interventions to create economic and community confidence and pride in the places we live. This includes a continued focus on Town Centre Regeneration.	Work with education providers to secure appropriate post-16 provision within the district to minimise the need to commute out for A/T level studies
		Consider promoting the designation of the Exe Valley as an Area of Outstanding Natural Beauty (AONB).	Lobby to see the abolition of the 'Right-to-Buy' or the devolvement of discounting powers to individual local housing authorities	Facilitate the creation of exciting new commercial opportunities within strategic developments at Culm Garden Village and Tiverton Eastern Urban Extension	Lobby DCC and others to introduce 20mph speed limits where children play, and take opportunities to pilot car-free days/routes
		Encourage new housing and commercial developments to be "exemplars" in terms of increasing biodiversity and reducing carbon use.	Promote the regeneration of our Town Centres by working with landlords and property developers to improve and increase the supply of quality housing	Produce business plans for the creation of a commercial Economic Development function perhaps in partnership with other agencies	Promote new, more integrated approaches to promoting good health and healthier living especially in the context of planned new developments.
Page 123				Explore commercial opportunities that deliver new or innovative services for customers that can generate revenue for the council	Seek opportunities to address public health issues and disparities to improve the health and wellbeing of everyone in Mid Devon
	Sustainable Planet	<p><i>Rural Devon is a great gift to us and the planet. We will challenge the suburbanisation of the countryside while encouraging growth in locations that provide low carbon homes for our children, our relatives, our colleagues and the communities of tomorrow. This will sit alongside the economic opportunities of greater digital connectivity in rural areas, our support for clean growth industry sectors, and a thriving agricultural industry that showcases sustainable food-to-fork practices and low food-miles to market.</i></p>			
		Increase recycling rates and reduce the amounts of residual waste generated	Introduce zero carbon policies for new development	Promote zero carbon exemplar sites within commercial settings	Enable communities to deliver their own projects to reduce carbon emissions
		Explore large-scale tree-planting projects and re-wilding to enhance biodiversity and address carbon pressures	Encourage the piloting of Modern Methods of Construction (MMC) and self-build opportunities	Use car park pricing mechanism to effectively balance the needs of vehicular access with those of reducing car use	Facilitate networking across volunteer and community groups to spread knowledge, expertise and awareness on climate issues
		Promote sustainable farming practices in partnership with local farmers, District and County Councils; including research into best practice re better soil management and animal husbandry.	Use new development as opportunities to help communities to become increasingly sustainable and self-sustaining at neighbourhood level (district heating, energy use, recycling/re-use systems etc)	Promote the development of the farming economy and local food production. Working in partnership with farmers to develop and grow markets on the principle of reducing carbon emissions and sustainability.	
Sustainable Participation		<p><i>We will enable and support local decisions made by local councillors using local funds and resources aimed at local problems in our community. Working in partnership with parish and town councils, voluntary and community groups, we will seek to deliver positive outcomes where the district no longer has the means to directly commission services.</i></p>			
		Work with Parish and Town councils to promote the development and retention of parks and play areas across the district	Work with local stakeholders to initiate delivery of the new garden village at Culm	Support the creation of South West Mutual Bank and seek opportunities to encourage new branches being opened in areas that aren't well-served by existing banking services providers	Work with the NHS and other health bodies to promote use of our leisure centres
		Support community activities that improve the environment such as litter-picks, guerilla gardening, or community adoption of assets	Support and grow active tenancy engagement	Develop and deliver regeneration plans for all 3 main towns in partnership with Town and Parish Councils	Promote community involvement in council activity
			Support the establishment of Community Land Trusts in partnership with Parish Councils and other local bodies		Promote new approaches to Rural Transport in partnership with Town and Parish Councils through the deployment of emerging technologies
					Work with County, Town and Parish Councils to identify safer walking journeys to school

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