

# Public Document Pack

Mid Devon District Council

## Scrutiny Committee

Monday, 19 January 2015 at 2.15 pm  
Exe Room, Phoenix House

Next ordinary meeting  
Monday, 16 February 2015 at 2.15 pm

Those attending are advised that this meeting will be recorded

## Membership

Cllr Mrs J Roach  
Cllr E J Berry  
Cllr Mrs J Rendle  
Cllr T W Snow  
Cllr Mrs M E Turner  
Cllr N A Way  
Cllr A V G Griffiths  
Cllr Mrs S Griggs  
Cllr T G Hughes  
Cllr M R Lee

## 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 notices of appointment of substitute Members (if any).
  
- 2      **PUBLIC QUESTION TIME**  
To receive any questions relating to items on the Agenda from members of the public and replies thereto.  
  
Note: A maximum of 30 minutes is allowed for this item.
  
- 3      **MEMBER FORUM**  
An opportunity for non-Cabinet Members to raise issues.
  
- 4      **MINUTES OF THE PREVIOUS MEETING** (*Pages 5 - 8*)  
To approve as a correct record the Minutes of the last meeting of this Committee (attached).

The Committee is reminded that only those members of the Committee present at the previous meeting should vote and, in doing so, should be influenced only by seeking to ensure that the minutes are an accurate record.

5 **DECISIONS OF THE CABINET**

To consider any decisions made by the Cabinet at its meeting held on 8 January 2014 that have been called-in.

6 **CHAIRMAN'S ANNOUNCEMENTS**

To receive any announcements that the Chairman of the Scrutiny Committee may wish to make.

7 **HARLEQUIN VALET** (*Pages 9 - 12*)

At the request of the Committee, following their consideration of the Independent Review Report in 10 November 2014, the Head of Planning and Regeneration will present a report to address the queries raised.

8 **REORGANISATION AND REDUNDANCIES WITHIN THE COUNCIL**

The Chairman has requested that the Committee discuss the way in which the authority has handled the recent redundancies and reorganisation within the Council.

9 **DRAFT BUDGET REVIEW FOR 2015-16** (*Pages 13 - 30*)

A Budget Report 2015/16 from the Head of Finance for the Committee to consider, prior to its final recommendation by the Cabinet.

10 **PROCUREMENT WORKING GROUP** (*Pages 31 - 42*)

The Committee to receive a report from the Procurement Working Group updating them on their findings.

11 **CABINET MEMBER FOR WORKING ENVIRONMENT AND SUPPORT SERVICES** (*Pages 43 - 46*)

The Cabinet Member for the Working Environment and Support Services will update the Committee regarding areas covered by this remit.

12 **COUNCILLOR D F PUGSLEY HAS REQUESTED THAT THE FOLLOWING BE DISCUSSED BY THE COMMITTEE;**

Proceedings against Councillor Wilson. (We can all remember the very unpleasant atmosphere in the Council after the Court decision in February.) It is time now to have a calm post mortem to see what lessons can be learnt for the future.

13 **UPDATES AND ITEMS TO NOTE REGARDING OUTSTANDING ITEMS** (*Pages 47 - 56*)

- Safeguarding - no update.
- Planning Committee Procedures: – Members are asked to note

that there has been a delay in the issue of this report which will be considered by the Planning Committee. Following this, the report will be further considered by the Scrutiny Committee at the next available meeting.

- Devon County Council – Closure of Care Homes  
Attached –  
A copy of the letter sent to DCC, CCG and local MP's  
A copy of an email chasing responses from the above  
A response from Councillor Barker regarding working with other agencies  
A response from Councillor Barker regarding questions about the closure of care homes.

14 **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:

Cabinet Member for Housing  
Performance and Risk  
Planning Policy on Communal Bin Stores  
Car parking update from Cabinet Member

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

**Kevin Finan**  
Chief Executive  
Friday, 9 January 2015

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 to the Council Chamber on 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 Julia Stuckey on:

Tel: 01884 234209

Fax:

E-Mail: [jstuckey@middevon.gov.uk](mailto:jstuckey@middevon.gov.uk)

Public Wi-Fi is available in all meeting rooms.

## MID DEVON DISTRICT COUNCIL

**MINUTES** of a **MEETING** of the **SCRUTINY COMMITTEE** held on 8 December 2014 at 2.15 pm

### **Present**

#### **Councillors**

Mrs J Roach (Chairman)  
E J Berry, Mrs J Rendle, T W Snow, Mrs M E Turner,  
A V G Griffiths, Mrs S Griggs, T G Hughes, M R Lee and  
P F Williams

### **Apologies**

#### **Councillors**

N A Way

### **Also Present**

#### **Councillors**

R M Deed, Mrs B M Hull, D F Pugsley and K D Wilson

### **Present**

#### **Officers:**

Kevin Finan (Chief Executive), Nick Sanderson (Head of Housing and Property Services), Catherine Yandle (Internal Audit Team Leader), Jill May (Head of HR and Development), Liz Reeves (Head of Customer Services) and Julia Stuckey (Member Services Officer)

| Member       | Minute No | Type of Interest |
|--------------|-----------|------------------|
| P F Williams | 111       | Pecuniary        |

## 101 **APOLOGIES AND SUBSTITUTE MEMBERS**

Councillor N A Way was substituted by Councillor P F Williams.

## 102 **PUBLIC QUESTION TIME**

Mrs Amanda Walker, referring to item 7 on the agenda, asked the Chairman of the Committee if she intended to invite Councillor Barker to another meeting to answer questions for which a response had not yet been received.

The Chairman informed Mrs Walker that her question would be answered during item 7 on the agenda.

## 103 **MEMBER FORUM**

There were no issues raised under this item.

## 104 **MINUTES OF THE PREVIOUS MEETING**

Subject to the addition of the wording 'and the appropriate Officer that had knowledge about this particular issue be in attendance at the meeting' being added to minute 97, the minutes of the last meeting were approved as a correct record and **signed** by the Chairman.

## 105 **DECISIONS OF THE CABINET**

The Committee **NOTED** that none of the decisions of the Cabinet meeting held on 27 November 2014 had been called in.

## 106 CHAIRMAN'S ANNOUNCEMENTS

The Chairman informed the Committee that the Harlequin Valet would be discussed at the next meeting of this Committee.

She also informed the Committee that no replies had been received from Devon County Council, the Clinical Commissioning Group or the local MP's following the letter that she had sent on behalf of the Committee regarding working together and using care beds more imaginatively. It was **AGREED** that another letter be sent, asking for a response.

## 107 DEVON COUNTY COUNCIL - CLOSURE OF CARE HOMES

The Committee had before it a response from Devon County Council to questions raised by this Committee regarding the closure of care homes and a letter that the Chairman had sent in response to this \*.

Discussion took place regarding the fact that the Chairman had written to Councillor Barker but had not as yet received a response. In his written answers Councillor Barker had offered to attend a meeting of the Committee once a decision had been made regarding the Judicial Review. It had now been confirmed that there would be no Judicial Review.

It was **RESOLVED** to invite Councillor Barker, who had already agreed that he would, to attend a meeting of the Committee to answer as yet un-answered questions regarding the closure of care homes in Devon.

(Proposed by Cllr T G Hughes and seconded by Cllr T W Snow)

Note: \* Report previously circulated, attached to the minutes.

## 108 PERFORMANCE AND RISK (00.19.03)

The Committee had before it and **NOTED** a report \* of the Head of Communities and Governance providing Members with an update on performance against the corporate plan and local service targets for the second quarter of 2014/15 as well as providing an update on the key business risks.

Discussion took place regarding the use of colour to indicate red, amber and green in the report for the chart showing risks. It was **AGREED** that this chart would be shown on the white board at future meetings of this Committee and that a colour key be added to the report.

The Head of Customer Services informed the Committee that the method for recording missed collections was being explored by the Head of Finance and may be recorded differently in the future. The Committee discussed the difficulties of keeping accurate records when only those households that telephoned to report their collection being missed were logged. It was also difficult to know whether the collection had actually been missed by the staff or whether the refuse had been put out too late.

Discussion took place regarding targets for housing repair times, numbers of calls made to Customer First, risk levels for chemicals and asbestos and document retention.

**Note:** \* Report previously circulated, attached to the minutes.

## 109 COUNCILLOR D F PUGSLEY HAD REQUESTED THAT THE FOLLOWING BE DISCUSSED BY THE COMMITTEE; (00.56.25)

Exclusion of Press and Public. The minutes of Scrutiny Committee on 11 March 2013 and Cabinet on 28 March 2013 are relevant.\*

Councillor Pugsley explained to the Committee that in his opinion the resolution shown on the agenda had been agreed in March 2013 and then forgotten for 18 months.

It was confirmed that training had taken place in December 2013 and that this would be repeated annually.

The Councillor requested that an additional paragraph, as stated on the agenda, be added to the Constitution:

It was **RECOMMENDED** to the Standards Committee that Procedure Rule 21 have the following text added as a second paragraph referring to 12.02.d.

Whenever there is a possibility that an item may need to be discussed in part two the agenda should include a brief explanation as to why this might be the case, in plain English, and make reference to the Constitution, Article 12, which mentions a presumption in favour of openness and transparency.

(Proposed by Cllr Mrs M Turner and seconded by Cllr Mrs J R Rendle)

Note: Paperwork previously circulated, copy attached to minutes.

#### 110 **STAFF RECRUITMENT (01.11.00)**

The Committee had before it a briefing paper\* from the Head of Human Resources, Learning and Development, giving an overview of recruitment, both internal and external, to the Authority.

The Officer tabled information regarding the use of consultants. Discussion took place regarding this and the Officer explained that the money spent had not been additional and that funding had been allocated in budgets for this, particularly in Planning. The use of Consultants was necessary for some planning applications and for some legal work. In one instance the secondment of a member of staff from Devon County Council had been used, which had proved beneficial to both Councils concerned. It was the responsibility of each Service Manager to ensure that the use of consultants was cost effective.

Discussion took place regarding:

- The recruitment process;
- Sharing of staff with another authority;
- The use of scenarios and assessment in addition to traditional interview methods;
- Making best use of and developing current staff;
- The use of Human Resources staff in the interview process;
- The removal of the compulsory retirement age.

**Note:** \* Briefing paper previously circulated, attached to the minutes.

#### 111 **ASBESTOS (01.59.05)**

The Committee had before it a report\* from the Head of Housing and Property Services providing Members with an update on the Health and Safety Executive (HSE) investigation into the alleged Asbestos Insulating Board (AIB) asbestos soffit removal by an unlicensed contractor at Brays Close, Crediton.

The Ward Member for Brays Close, Crediton had been unable to attend the meeting but had submitted questions which were answered by the Head of Housing and Property Services.

A main concern was that the work at these properties to mitigate the problem had been carried out correctly. Also that the authority had learnt from this situation and that no stone had been left unturned in order that Members could be satisfied it would not happen again. The Member also asked if other properties in the District had been checked for asbestos.

The Head of Housing and Property Services explained that works were ongoing and that an appropriate contractor was being used to carry out the work. Testing would take place to ensure that the area was clear of any fibres of asbestos.

With regard to the Health and Safety Executive (HSE) investigation the Officer confirmed that although the Authority had felt it was acting in a satisfactory manner the HSE found that procedures had been 'loose' in some areas and needed to be more concise. The HSE were not carrying out any enforcement; they considered that the authority had learnt from what had happened and now had practices in place to ensure there was no reoccurrence.

Discussion took place regarding the contractor that had been employed by the Authority at the time of the incident. The officer confirmed that this contractor was still being used for painting work but would not be involved in other types of work. The HSE were satisfied with the measures the contractor had put in place to ensure that such an incident would not occur again and method statements had been signed off by the HSE. In the previous incident the authority had not been clear and concise when instructing them.

The Officer went on to explain that there was a possibility that asbestos material could be found in any property and that testing took place to establish the risk. If not damaged the material was safe. 75% of properties in Mid Devon had been surveyed for asbestos with the remaining 25% being 'clone' surveyed. A full survey was carried out on any property scheduled for work.

It was confirmed that ex-authority houses that were now in private ownership were no longer the responsibility of the Council. They had been sold and it was the responsibility of the purchaser to get a survey, prior to purchase.

- Notes: i) \* Previously circulated, attached to the minutes.  
ii) Cllr P F Williams declared a Pecuniary Interest and left the meeting during the decision thereon as he was the owner of an ex-local authority property.

## 112 **UPDATES AND ITEMS TO NOTE REGARDING OUTSTANDING ISSUES: (02.40.05)**

The updates were noted.

## 113 **IDENTIFICATION OF ITEMS FOR THE NEXT MEETING**

The following items were agreed for inclusion on the agenda for the next meeting:

Review draft budget review for 2015-16  
Cabinet Member for Working Environment and Support Services  
Reorganisation/Redundancies within the Council  
Harlequin Valet update  
Procurement Working Group Report

(The meeting ended at 1700)

**CHAIRMAN**



## SCRUTINY COMMITTEE 9 JANUARY 2015

### HARLEQUIN VALET PREMISES, CULLOMPTON - FURTHER REPORT FOLLOWING THE INDEPENDENT REVIEW REPORT CONSIDERED ON 10 NOVEMBER 2014

**Cabinet Member** Cllr Richard Chesterton  
**Responsible Officer** Head of Planning and Regeneration

**Reason for Report:** The report was requested by Scrutiny following their consideration of the Independent Review Report considered on 10 November 2014. The Scrutiny Committee requested this report address the time-line and any gaps within it, and also wished to see recommendations developed from the section entitled summary and points for consideration in the November report.

**RECOMMENDATIONS:** That the Scrutiny Committee recommend Cabinet consider and adopt the recommendations set out in paragraphs 4.1 to 4.6.

**Relationship to Corporate Plan:** Community well-being is a key component of the Corporate Plan.

**Financial Implications:** Policies set out in the recommendations identify a more proactive approach by the Council in dealing with dangerous structures. This more proactive approach is likely to incur greater expenditure on dangerous structures and legal work.

**Legal Implications:** There will be additional legal work in adopting a more proactive approach. Both on terms of obtaining court orders and reclaiming expenditure incurred in legal and intervention costs.

**Risk Assessment:** Costs may not always be recovered. Owners may contest the amount of work undertaken as the minimum necessary. Owners may contest that emergency intervention was necessary.

#### 1.0 Introduction

1.1 At its meeting on 10 November 2014 the Scrutiny Committee resolved that consideration of the **Independent Review Report** into matters concerning **Harlequin Valet, Cullompton** be deferred until the next meeting of the Scrutiny Committee so that:-

**A)** Officers could further investigate the time-line and fill any gaps, and

**B)** Bring forward recommendations developed from the section entitled summary and points for consideration.

1.2 The original Independent Review Report completed by the Head of Communities, Governance and Monitoring Officer (considered at the November meeting) is attached for Members information at appendix 1.

1.3 Set out below are the answers to questions A and B above.

## 2.0 **A) - Time line and any gaps**

2.1 There are no additions to make to the time line in the original report. The last formal written communication from the Council's Building Control department prior in respect of the dangerous structure was in December 2011 when the owner was requested to take action to secure the safety of the render and cob at first floor level. Action was taken by the owner boarding the wall at that time and it was considered the minimum works necessary had been carried out to remove the danger at that time. Contact between the owners agents and the Planning Department were maintained during the processing of the various planning applications between the time of the fire and the wall collapse and reference is made to the involvement of building control officers in those considerations. This history is fully set out in the earlier report.

2.2 The first floor cob wall collapsed in January 2014.

## 3.0 **B) - Considerations and Recommendations**

3.1 Before considering the recommendations under item two it may help to identify the provisions in the Building Act 1984 which provide powers to deal with dangerous structures.

- Dangerous structures are the responsibility of the building owner.
- The owner has a general duty of care in law to protect other people from any harm arising from the unsafe condition of their property.
- The involvement of the local authority does not remove this liability from the owner.
- The Council has legal powers under the Building Act, **but not an obligation**, under sections 77 and 78 of the Building Act 1984, to investigate and to take whatever action is necessary to remove the danger.

3.2 **Section 77** is used where a building or part of a building is in such condition or used to carry such loads as to be dangerous.

3.3 The Council can apply to a Magistrates court for an Order.

3.4 If the court is satisfied that the danger exists then an Order is given and the owner must remove the danger. Or the owner can demolish the building within a stated time period.

3.5 If the person does not carry out the work in the stated time, the Council can carry out the work and attempt to get back the costs from that person.

3.6 Also, the person may be given a fine for not to complying with the original order.

3.7 **Section 78** is used in similar circumstances to the above, but this is when action needs to be taken right away to remove the danger.

- 3.8 The Council carries out work to remove the danger, but in getting back its costs from the owner it may have to show to the Court that it (the Council) could not reasonably have gone ahead under Section 77.
- 3.9 The Council would only deal with a 'dangerous structure' under these provisions if the owner:
- cannot be contacted
  - is unable or refuses to remove a danger, or
  - is in default of a court order

#### 4.0 **Recommendations**

- 4.1 Following the initial assessment and any remedial action to make a dangerous structure safe, the structures shall (unless fully demolished or fully repaired) **be monitored on a two monthly basis** to ensure any further decay is identified as early as possible. A detailed record of those inspections and any actions requested will be kept.
- 4.2 Ward Members will be notified following inspections of the findings and any proposed action.
- 4.3 A leaflet will be published on the Council's website identifying the powers the Council has with regard to dangerous structures and the actions the Council may pursue where public safety is being put at risk where no action is taken by the owner. The proposed policies are set out in 4.6 below.
- 4.4 Information should also be displayed on the Council's website of the risks that poorly maintained cob structures can create.
- 4.5 Delegated authority be given to Building Control officers to take action under Section 77 and 78 of the Building Act, as deemed necessary, and that expenditure incurred in those cases be agreed by the Cabinet Member for Planning and the Head of Finance as an expenditure outside of set budgets on a case by case basis. (The Council will always seek to recover its costs in such circumstances but recovery cannot be guaranteed).
- 4.6 The Council will set out the following policies (subject to Cabinet and Council approval) on its website for dealing with dangerous structures as follows:-
- In an **EMERGENCY** situation, without prior notification to the owner, the Council will employ a contractor to do the minimum amount of work necessary to remove the danger. The owner will later be notified of the action and the fact that he/she is liable for the Council's full costs.
  - Where a dangerous structure is identified **BUT IS NOT AN EMERGENCY**, the Council will attempt to obtain a verbal commitment from the owner to remove the danger immediately. If not achieved, formal notice will be served on the owner requiring that the danger is removed within a week. If the owner fails to comply, the Council will employ a contractor to do the minimum amount of work necessary to remove the danger.

**Contact for more Information:** Jonathan Guscott, Head of Planning and Regeneration. 01884 234938 (jguscott@middevon.gov.uk)

**Circulation of the Report:** Jonathan Guscott, Richard Chesterton, Jenny Roach, Nikki Woollatt, Linda Holloway

**List of Background Papers:** The Previous Independent Review Report considered on 10 November 2014 can be found on the following web link.

<http://www.middevon.gov.uk/CHttpHandler.ashx?id=24558&p=0>

## Scrutiny 19 January 2015

### Budget for 2015/6

**Cabinet Member** Cllr Peter Hare-Scott  
**Responsible Officer** Head of Finance

**Reason for Report:** There is a statutory requirement for Scrutiny to consider the draft budget prior to its final recommendation by the Cabinet.

**RECOMMENDATIONS:** That Scrutiny reviews the draft 2015/6 budget and makes any necessary comments/recommendations to the Cabinet to be considered at its meeting on the 5 February 2015.

**Relationship to Corporate Plan:** This budget is driven by the key priorities contained within the Corporate Plan, which seeks to deliver a wide range of cost effective services. All budget decisions have taken account of these priorities and pledges.

**Financial Implications:** Sound financial management underpins the entire report.

**Legal Implications:** It is a legal requirement to set a balanced budget under the Local Government Act 2003 and for a scrutiny process to be conducted prior to the final recommendation by Cabinet to Full Council.

**Risk Assessment:** The production of the budget has taken full account of prior year figures, current year budget monitoring information, changes in legislation, adequacy/levels of reserves, business risk and assumptions in the Medium Term Financial Plan.

## 1.0 Introduction

1.1 Attached to this report is the generic draft budget report that was considered by all three of the PDG meetings and the Cabinet in November and December. In addition, the draft Housing Revenue Account (HRA) considered at the Decent & Affordable Homes PDG is also attached. These reports were compiled in the absence of finalised information with regard to Formula Grant, the Council Tax Freeze and housing benefit limits relating to rent increases.

## **2.0 January PDGs and Cabinet – Budget Update**

- 2.1 Due to the late timing of this key information a verbal update of the draft budget position will be tabled at PDG and Cabinet meetings in January and a final draft HRA budget will be discussed at the Decent & Affordable Homes PDG on the 20 January 2015. In order for the Scrutiny Committee to have a formal position on the draft budget at its most current position Appendix 1 has been included which provides the information being verbally updated to the PDGs.

## **3.0 Conclusion**

- 3.1 Budget scrutiny is an important part of a robust budget setting process and feedback from this meeting will be considered at the final draft budget Cabinet meeting on the 5 February 2015, prior to recommendation to Full Council.

**Contact for more information:** Andrew Jarrett, Head of Finance  
DL 01884 234242

**Background Papers:** None

**File Reference:** None

**Circulation of the Report:** Management Team

**GENERAL FUND REVENUE ACCOUNT  
DRAFT BUDGET SUMMARY 2015/16**

|   | Net Direct Costs<br>Budget<br>2014/15<br>£ | Budget<br>Changes<br>£ | Draft<br>Net Direct Costs<br>Budget<br>2015/16<br>£ |
|---|--|------------------------|---|
| Managing the Environment                        | 3,384,230                                  | 36,880                 | 3,421,110   |
| Decent & Affordable Homes                       | 420,360                                    | (72,210)               | 348,150   |
| Community Well Being                            | 2,755,730                                  | 48,131                 | 2,803,861   |
| Cabinet   | 3,743,760                                  | 122,250                | 3,866,010   |
| <b>TOTAL NET DIRECT COST OF SERVICES</b>        | <b>10,304,080</b>                          | <b>135,051</b>         | <b>10,439,131</b>                                   |
| Net recharge to HRA                             | (1,211,320)                                | (12,113)               | (1,223,433)   |
| <b>NET COST OF SERVICES</b>                     | <b>9,092,760</b>                           | <b>122,938</b>         | <b>9,215,698</b>                                    |
| Provision for the financing of capital spending | 122,520                                    | 28,440                 | 150,960   |
| Finance Lease interest                          | 8,110                                      | (8,110)                | 0   |
| Interest from Funding provided for HRA          | (110,000)                                  | 40,910                 | (69,090)  |
| Interest Received on Investments                | (65,000)                                   | 0                      | (65,000)  |
| Contribution to Capital Programme               | 125,000                                    | 0                      | 125,000   |
| <b>TOTAL BUDGETED EXPENDITURE</b>               | <b>9,173,390</b>                           | <b>184,178</b>         | <b>9,357,568</b>                                    |
| <b>Funded by:-</b>                              |  |                        |   |
| Formula Grant                                   | (4,230,060)                                | 656,000                | (3,574,060)   |
| NNDR revenue based on last year actuals + 54K   |  | (54,000)               | (54,000)  |
| Council Tax freeze - for 2014/15                | (49,000)                                   | 0                      | (49,000)  |
| CTS Funding Parishes                            | 98,000                                     | (33,000)               | 65,000  |
| Collection Fund Surplus                         | (75,000)                                   | 25,000                 | (50,000)  |
| Council Tax - 27,289.8 x £184.88                | (4,917,330)                                | (128,000)              | (5,045,330)   |
| <b>TOTAL FUNDING</b>                            | <b>(9,173,390)</b>                         | <b>466,000</b>         | <b>(8,707,390)</b>                                  |
| <b>REQUIREMENT TO BALANCE THE BUDGET</b>        | <b>0</b>                                   | <b>650,178</b>         | <b>650,178</b>                                      |

**Current Assumptions :**

- 1 Formula Grant reduced by £656k based on provisional figure rec'd 12 months ago.
- 2 A Council Tax income based on a 1.5% rise for illustrative purposes only. A 1% rise in Council Tax will generate circa £50k. It is assumed any Council Tax freeze grant given in 2014/15 will be added into the final settlement for 2015/16.
- 3 Most of the savings and cost pressures proposed in the budget review meetings have been included.
- 4 2015/16 salary budgets include an increase of 1%.
- 5 All income flows have been reviewed and adjusted for changes in demand and unit price.
- 6 Investment income has been based upon the existing lending criteria now in force.
- 7 Nil transfer from the General Fund Balance .
- 8 Support services have been inflated in accordance with the pay award.
- 9 Budget for car parking income based on fee structure currently on place and 14/15 level of usage.
- 10 Budget for refuse and recycling is based on 14/15 scheme and reviewed for known budget pressures.
- 11 The grants budget has been left at the 2014/15 level prior to the special Community Well Being PDG meeting.

**Summary of Cabinet**

| Service Unit                        | 2013/14 Actuals  | 2014/15 Budget   | 2015/16 Budget   | Movement £     |
|-------------------------------------|------------------|------------------|------------------|----------------|
| SCM01 Chief Executive               | 149,976          | 159,080          | 163,160          | 4,080          |
| SCM03 Corporate Fees/Charges        | 233,540          | 153,110          | 162,030          | 8,920          |
| SCM06 Pension Backfunding           | 796,628          | 731,790          | 788,070          | 56,280         |
| SFP01 Accountancy Services          | 413,212          | 400,930          | 399,390          | (1,540)        |
| SFP02 Internal Audit                | 99,198           | 98,870           | 97,380           | (1,490)        |
| SFP03 Procurement                   | 74,465           | 51,910           | 52,280           | 370            |
| SFP04 Purchase Ledger               | 45,760           | 45,100           | 45,570           | 470            |
| SFP05 Sales Ledger                  | 33,558           | 34,710           | 40,280           | 5,570          |
| SHR01 Human Resources               | 228,409          | 203,160          | 217,990          | 14,830         |
| SHR02 Mddc Staff Training           | 2,883            | 119,730          | 94,770           | (24,960)       |
| SHR03 Payroll                       | 60,879           | 58,950           | 65,280           | 6,330          |
| SHR04 Learning And Development      | 54,346           | 39,850           | 32,760           | (7,090)        |
| SIT01 It Gazetteer Management       | 58,198           | 63,810           | 64,200           | 390            |
| SIT02 It Information Management     | 28,171           | 27,450           | 28,050           | 600            |
| SIT03 It Information Technology     | 821,914          | 822,400          | 839,500          | 17,100         |
| SLD01A Election Costs               | (23,280)         | 20,000           | 20,000           | 0              |
| SLD01 Electoral Registration        | 120,751          | 111,040          | 159,740          | 48,700         |
| SLD02 Democratic Rep And Management | 400,182          | 414,720          | 416,620          | 1,900          |
| SLD04 Legal Services                | 193,868          | 187,150          | 178,940          | (8,210)        |
| <b>TOTALS</b>                       | <b>3,792,658</b> | <b>3,743,760</b> | <b>3,866,010</b> | <b>122,250</b> |

**Summary of Community Well Being PDG**

| Service Unit                         | 2013/14 Actuals  | 2014/15 Budget   | 2015/16 Budget   | Movement £    |
|--------------------------------------|------------------|------------------|------------------|---------------|
| SCD01 Community Development          | 393,071          | 419,900          | 431,720          | 11,820        |
| SCD02 Economic Development           | (2,820)          | (21,910)         | 1,810            | 23,720        |
| SCS20 Customer Services Admin        | 136,532          | 154,910          | 117,380          | (37,530)      |
| SCS22 Customer First                 | 509,319          | 642,450          | 686,670          | 44,220        |
| SES01 Emergency Planning             | 1,245            | 0                | 0                | 0             |
| SES03 Community Safety - C.C.T.V.    | (873)            | 3,100            | 2,880            | (220)         |
| SES11 Pool Cars                      | (8,794)          | 6,480            | 6,480            | 0             |
| SES16 Es Staff Units/Recharges       | 561,764          | 609,390          | 532,490          | (76,900)      |
| SES17 Community Safety               | 53,716           | 55,440           | 55,980           | 540           |
| SES18 Food Safety                    | (3,120)          | (1,530)          | 1,330            | 2,860         |
| SES19 Health And Safety At Work      | 23,181           | 22,710           | 42,350           | 19,640        |
| SES20 Health Education               | (740)            | 0                | 0                | 0             |
| SES21 Licensing                      | 25,020           | (12,500)         | (20,339)         | (7,839)       |
| SES22 Pest Control                   | 5,006            | 5,500            | 5,000            | (500)         |
| SES23 Pollution Reduction            | (6,231)          | 2,710            | 2,840            | 130           |
| SPR01 Building Regulations           | 86,118           | 11,640           | (5,250)          | (16,890)      |
| SPR02 Enforcement                    | 152,664          | 97,800           | 97,270           | (530)         |
| SPR03 Development Control            | (256,433)        | 75,160           | 178,270          | 103,110       |
| SPR04 Local Land Charges             | (41,450)         | (20,450)         | (20,450)         | 0             |
| SPR06 Economic Development           | 88,381           | (60,360)         | 62,960           | 123,320       |
| SPR07 Tourism Pol, Marketing & Devel | 606              | 0                | 0                | 0             |
| SPR09 Forward Planning               | 325,774          | 249,310          | 183,320          | (65,990)      |
| SPR11 Regional Planning              | 42,581           | 62,520           | 76,500           | 13,980        |
| SRB01 Collection Of Council Tax      | 293,757          | 275,020          | 237,870          | (37,150)      |
| SRB02 Collection Of Business Rates   | (105,052)        | (58,400)         | (76,640)         | (18,240)      |
| SRB03 Housing Benefit Admin & Fraud  | (102,582)        | 56,760           | 103,890          | 47,130        |
| SRB04 Housing Benefit Subsidy        | (95,659)         | 0                | 0                | 0             |
| SRB06 Debt Recovery                  | 39,625           | 38,170           | 39,170           | 1,000         |
| SRS01 Recreation And Sport           | 340,615          | 141,910          | 60,360           | (81,550)      |
| <b>TOTALS</b>                        | <b>2,455,220</b> | <b>2,755,730</b> | <b>2,803,861</b> | <b>48,131</b> |



### Summary of Decent and Affordable Homes PDG

| Service Unit                        | 2013/14 Actuals | 2014/15 Budget | 2015/16 Budget | Movement £      |
|-------------------------------------|-----------------|----------------|----------------|-----------------|
| SES15 Private Sector Housing Grants | (165,152)       | 110,460        | 129,590        | 19,130          |
| SHG02 Housing Advice                | 97,601          | 103,710        | 0              | (103,710)       |
| SHG03 Homelessness Accommodation    | 105,498         | 206,190        | 218,560        | 12,370          |
| <b>TOTALS</b>                       | <b>37,947</b>   | <b>420,360</b> | <b>348,150</b> | <b>(72,210)</b> |

### Summary of Managing the Environment PDG

| Service Unit                       | 2013/14 Actuals  | 2014/15 Budget   | 2015/16 Budget   | Movement £    |
|------------------------------------|------------------|------------------|------------------|---------------|
| SCP01 Parking Services             | (519,196)        | (434,000)        | (365,920)        | 68,080        |
| SES02 Cemeteries                   | (30,219)         | (39,670)         | (16,250)         | 23,420        |
| SES04 Public Health                | (22,207)         | 2,160            | 2,260            | 100           |
| SES05 Open Spaces                  | 207,898          | 156,900          | 163,710          | 6,810         |
| SGM01 Grounds Maintenance          | 513,601          | 542,680          | 537,390          | (5,290)       |
| SPS01 Asset Management             | 8,174            | 8,750            | 8,750            | 0             |
| SPS03 Flood Defence And Land Drain | 24,812           | 26,430           | 26,430           | 0             |
| SPS04 Street Naming & Numbering    | 6,834            | 8,280            | 8,450            | 170           |
| SPS05 Administration Buildings     | 234,267          | 243,500          | 242,340          | (1,160)       |
| SPS06 Mddc Depots                  | 74,459           | 58,610           | 54,260           | (4,350)       |
| SPS07 Public Transport             | (12,116)         | (17,440)         | (15,150)         | 2,290         |
| SPS08 Office Building Cleaning     | 53,848           | 54,930           | 55,710           | 780           |
| SPS09 Property Services Staff Unit | 246,887          | 256,860          | 271,550          | 14,690        |
| SPS11 Public Conveniences          | 122,884          | 122,870          | 90,420           | (32,450)      |
| SPS12 Gf Properties Shops/Flats    | 2,086            | (7,360)          | (135,630)        | (128,270)     |
| SWS01 Street Cleansing             | 250,026          | 342,880          | 402,020          | 59,140        |
| SWS02 Waste Collection             | 1,215,685        | 1,203,760        | 1,312,560        | 108,800       |
| SWS03 Recycling                    | 512,337          | 623,400          | 599,830          | (23,570)      |
| SWS04 Waste Management             | 201,272          | 230,690          | 178,380          | (52,310)      |
| <b>TOTALS</b>                      | <b>3,091,333</b> | <b>3,384,230</b> | <b>3,421,110</b> | <b>36,880</b> |

| GENERAL FUND SUMMARY                     |                                | FTE        | Budget Direct Cost | + - %         | Budget Meeting Savings | Target Savings  | Target Savings |  |
|--|--------------------------------|------------|--------------------|---------------|------------------------|-----------------|----------------|--|
| (Direct costs)                           |                                | 2015/16    | 2014/15            |               | 2015/16                | 2016/17         | 2017/18        | Comments   |
| <b>Cabinet</b>                           |                                |            |                    |               |                        |                 |                |  |
| SCM01                                    | Chief Executive                | 2.0        | 159,080            | 0.0%          |                        |                 |                |  |
| SCM03                                    | Corporate Fees/Charges         | 0.1        | 153,110            | 0.0%          |                        |                 |                |  |
| SCM06                                    | Pension Backfunding            | 1.0        | 738,310            | 0.0%          |                        |                 |                |  |
| SFP01                                    | Accountancy Services           | 8.5        | 400,930            | -1.5%         | -6,000                 |                 |                | 0.21 FTE staff saving  |
| SFP02                                    | Internal Audit                 | 2.7        | 98,870             | -3.5%         | -3,500                 |                 |                | Reduced hours in team  |
| SFP03                                    | Procurement                    | 1.6        | 51,910             | 0.0%          |                        |                 |                |  |
| SFP04                                    | Purchase Ledger                | 1.5        | 45,100             | 0.0%          |                        |                 |                |  |
| SFP05                                    | Sales Ledger                   | 1.5        | 34,710             | 0.0%          |                        |                 |                |  |
| SHR01                                    | Human Resources                | 4.8        | 203,160            | 0.0%          |                        |                 |                |  |
| SHR02                                    | Mddc Staff Training            | 0.0        | 119,730            | -20.9%        | -25,000                |                 |                | Reduced based on last yrs actuals and commitment to new system by L&D  |
| SHR03                                    | Payroll                        | 2.0        | 58,950             | 0.0%          |                        |                 |                |  |
| SHR04                                    | Learning And Development       | 0.8        | 39,850             | 0.0%          |                        |                 |                |  |
| SIT01                                    | It Gazetteer Management        | 2.0        | 63,810             | 0.0%          |                        |                 |                |  |
| SIT02                                    | It Information Management      | 1.0        | 27,450             | 0.0%          |                        |                 |                |  |
| SIT03                                    | It Information Technology      | 12.7       | 822,400            | -5.3%         | -43,900                | -5000           |                | Phone lines, IDOX licences, taken out vacant post, allowing for trainee, paper   |
| SLD01                                    | Electoral Registration         | 4.0        | 111,040            | 0.0%          |                        |                 |                |  |
| SLD01A                                   | Election Costs                 | 0.0        | 20,000             | 0.0%          |                        |                 |                |  |
| SLD02                                    | Democratic Rep And Management  | 2.8        | 414,720            | 0.0%          |                        |                 |                |  |
| SLD04                                    | Legal Services                 | 5.0        | 187,150            | -4.3%         | -8,000                 |                 |                | New fee structure to be implemented 1/10/14  |
|  |                                | <b>54</b>  | <b>3,750,280</b>   | <b>-2.3%</b>  | <b>-86,400</b>         | <b>-5,000</b>   | <b>0</b>       |  |
| <b>Community Well Being PDG</b>          |                                |            |                    |               |                        |                 |                |  |
| SCD01                                    | Community Development          | 5.2        | 419,900            | -6.8%         | -28,500                | -20000          |                | Reduce grants by £20k. Reduction staff hrs £6k. Citizen panel (£2.5k)  |
| SCD02                                    | Economic Development           | 2.0        | -21,910            | 18.3%         | -4,000                 |                 |                | Agreed to recruit Market Officer for 30 hrs pw not 37hrs as budgeted.  |
| SCS20                                    | Customer Services Admin        | 3.5        | 154,910            | 0.0%          |                        |                 |                |  |
| SCS22                                    | Customer First                 | 23.0       | 642,450            | -1.9%         | -12,000                |                 |                | Not renewing MD Talk -£12k. Push comms through web site  |
| SES01                                    | Emergency Planning             | 0.0        | 0                  |               |                        |                 |                |  |
| SES03                                    | Community Safety - C.C.T.V.    | 0.2        | 3,100              | 0.0%          |                        |                 |                |  |
| SES11                                    | Pool Cars                      | 0.0        | 6,480              | 0.0%          |                        |                 |                |  |
| SES16                                    | Es Staff Units/Recharges       | 14.1       | 609,390            | -13.0%        | -79,000                |                 |                | Restructure  |
| SES17                                    | Community Safety               | 1.7        | 58,440             | 0.0%          |                        |                 |                |  |
| SES18                                    | Food Safety                    | 0.0        | -1,530             | 0.0%          |                        |                 |                |  |
| SES19                                    | Health And Safety At Work      | 1.0        | 22,710             | 0.0%          |                        |                 |                |  |
| SES20                                    | Health Education               | 0.0        | 0                  |               |                        |                 |                |  |
| SES21                                    | Licensing                      | 2.8        | -12,500            | 0.0%          |                        |                 |                |  |
| SES22                                    | Pest Control                   | 0.0        | 5,500              | 0.0%          |                        |                 |                |  |
| SES23                                    | Pollution Reduction            | 0.0        | 2,710              | 0.0%          |                        |                 |                |  |
| SPR01                                    | Building Regulations           | 5.0        | 11,640             | -618.6%       | -72,000                |                 |                | Restructure  |
| SPR02                                    | Enforcement                    | 2.5        | 97,800             | 0.0%          |                        |                 |                |  |
| SPR03                                    | Development Control            | 23.2       | 75,160             | -33.3%        | -25,000                |                 |                | Restructure and increase in income (incl pre app advice)   |
| SPR04                                    | Local Land Charges             | 1.8        | -20,450            | 0.0%          |                        |                 |                |  |
| SPR06                                    | Economic Development           | 2.5        | -60,360            | 39.8%         | -24,000                |                 |                | Member of staff going part time - see cost pressures - staff restructure   |
| SPR07                                    | Tourism Pol, Marketing & Devel | 0.0        | 0                  |               |                        |                 |                |  |
| SPR09                                    | Forward Planning               | 7.2        | 249,310            | 0.0%          |                        |                 |                |  |
| SPR11                                    | Regional Planning              | 0.0        | 62,520             | 0.0%          |                        |                 |                |  |
| SRB01                                    | Collection Of Council Tax      | 8.8        | 275,020            | -4.4%         | -12,000                |                 |                | Additional Court Costs Income from £73k to £85k - JC to work on forecast   |
| SRB02                                    | Collection Of Business Rates   | 1.0        | -58,400            | 77.1%         | -45,000                |                 |                | NNDR Charity Rate Relief no longer required under new NNDR Scheme  |
| SRB03                                    | Housing Benefit Admin & Fraud  | 13.5       | 56,760             | 0.0%          |                        |                 |                |  |
| SRB04                                    | Housing Benefit Subsidy        | 0.0        | 0                  |               |                        |                 |                |  |
| SRB06                                    | Debt Recovery                  | 1.5        | 38,170             | 0.0%          |                        |                 |                |  |
| SRB08                                    | Council Tax Benefit Subsidy    | 0.0        | 0                  |               |                        |                 |                |  |
| SRS01                                    | Recreation And Sport           | 53.9       | 141,910            | -211.4%       | -300,000               |                 |                | Target for service (EV enhancement?, pricing policy, increase off peak activity & corp members)                            |
|  |                                | <b>174</b> | <b>2,755,730</b>   | <b>-21.8%</b> | <b>-601,500</b>        | <b>-20,000</b>  | <b>0</b>       |  |
| <b>Decent and Affordable Housing PDG</b> |                                |            |                    |               |                        |                 |                |  |
| SES15                                    | Private Sector Housing Grants  | 4.1        | 110,460            | 0.0%          |                        |                 |                |  |
| SHG02                                    | Housing Advice                 | 0.0        | 103,710            | 0.0%          |                        |                 |                |  |
| SHG03                                    | Homelessness Accommodation     | 6.5        | 206,190            | -12.1%        | -25,000                |                 |                | 20k DCC grant for Yth Homelessness post, 5k cut Dom Violence grant.  |
|  |                                | <b>11</b>  | <b>420,360</b>     | <b>-5.9%</b>  | <b>-25,000</b>         | <b>0</b>        | <b>0</b>       |  |
| <b>Managing the Environment PDG</b>      |                                |            |                    |               |                        |                 |                |  |
| SCP01                                    | Parking Services               | 0.0        | -434,000           | 0.0%          |                        |                 |                | Consider including amenity car parks on charging order? Review of current year income from P and D and overnight charging. |
| SES02                                    | Cemeteries                     | 1.1        | -39,670            | 0.0%          |                        |                 |                |  |
| SES04                                    | Public Health                  | 0.0        | 2,160              | 0.0%          |                        |                 |                |  |
| SES05                                    | Open Spaces                    | 2.2        | 156,900            | 0.0%          |                        |                 |                |  |
| SGM01                                    | Grounds Maintenance            | 18.5       | 542,680            | 0.0%          |                        |                 |                |  |
| SPS01                                    | Asset Management               | 0.0        | 8,750              | 0.0%          |                        |                 |                |  |
| SPS03                                    | Flood Defence And Land Drain   | 0.0        | 26,430             | 0.0%          |                        |                 |                |  |
| SPS04                                    | Street Naming & Numbering      | 0.2        | 8,280              | 0.0%          |                        |                 |                |  |
| SPS05                                    | Administration Buildings       | 0.1        | 243,500            | -4.1%         | -10,000                |                 |                | Rates reduction P/House, increase rent from Prospect   |
| SPS06                                    | Mddc Depots                    | 0.0        | 58,610             | -10.2%        | -6,000                 |                 |                | Rent from leasing Lords Meadow Depot   |
| SPS07                                    | Public Transport               | 0.0        | -17,440            | 0.0%          |                        |                 |                |  |
| SPS08                                    | Office Building Cleaning       | 3.1        | 54,930             | 0.0%          |                        |                 |                |  |
| SPS09                                    | Property Services Staff Unit   | 8.9        | 256,860            | 0.0%          |                        |                 |                |  |
| SPS10                                    | Tourist Information Centre     | 0.0        | -7,360             | 40.8%         | -3,000                 |                 |                | Rent for 1 Phoenix Lane more than budgeted for   |
| SPS11                                    | Public Conveniences            | 1.7        | 122,870            | -41.8%        | -51,340                | -16340          |                | PDG report on PC provision   |
| SWS01                                    | Street Cleansing               | 8.2        | 342,880            | -2.2%         | -7,500                 |                 |                | Recharge for sweeping Market Walk  |
| SWS02                                    | Waste Collection               | 30.8       | 1,203,760          | -3.6%         | -43,000                | -500000         |                | Estimated income for charging for Garden Waste   |
| SWS03                                    | Recycling                      | 25.8       | 623,400            | -24.0%        | -149,500               |                 |                | Sinking fund savings, glass income, rates at 16 shop, est saving on vehicle maint  |
| SWS03                                    | Recycling - OCT 15 New Scheme  |            |                    |               |                        |                 |                |  |
| SWS04                                    | Waste Management               | 5.3        | 230,220            | 0.0%          |                        |                 |                |  |
|  |                                | <b>106</b> | <b>3,383,760</b>   | <b>-8.0%</b>  | <b>-270,340</b>        | <b>-516,340</b> | <b>0</b>       |  |
| <b>GRAND TOTAL</b>                       |                                | <b>345</b> | <b>10,310,130</b>  | <b>-9.5%</b>  | <b>-983,240</b>        | <b>-541,340</b> | <b>0</b>       |  |

| GENERAL FUND SUMMARY SAVINGS SCHEDULE    |                                | FTE              | Budget Direct Cost | + - %          | Budget Meeting Savings / Cost Pressures | Target Savings / Cost Pressures | Target Savings / Cost Pressures | Comments   |
|--|--------------------------------|------------------|--------------------|----------------|---|---------------------------------|---------------------------------|--|
| (Direct costs)                           |                                | 2015/16          | 2014/15            |                | 2015/16                                 | 2016/17                         | 2017/18                         |  |
| <b>Cabinet</b>                           |                                |                  |                    |                |   |                                 |                                 |  |
| SCM01                                    | Chief Executive                | 2.0              | 159,080            | 0.0%           |   |                                 |                                 |  |
| SCM03                                    | Corporate Fees/Charges         | 0.1              | 153,110            | 0.0%           |   |                                 |                                 |  |
| SCM06                                    | Pension Backfunding            | 1.0              | 738,310            | 5.4%           | 40,000                                  | 45,000                          | 50,000                          | New pension contribution rates/LEP contribution of £5k ongoing/ Review other corp fees   |
| SFP01                                    | Accountancy Services           | 8.5              | 400,930            | 0.0%           |   |                                 |                                 |  |
| SFP02                                    | Internal Audit                 | 2.7              | 98,870             | 0.0%           |   |                                 |                                 |  |
| SFP03                                    | Procurement                    | 1.6              | 51,910             | 0.0%           |   |                                 |                                 |  |
| SFP04                                    | Purchase Ledger                | 1.5              | 45,100             | 0.0%           |   |                                 |                                 |  |
| SFP05                                    | Sales Ledger                   | 1.5              | 34,710             | 0.0%           |   |                                 |                                 |  |
| SHR01                                    | Human Resources                | 4.8              | 203,160            | 7.4%           | 15,000                                  |                                 |                                 | Selling services income reduced  |
| SHR02                                    | Mddc Staff Training            | 0.0              | 119,730            | 0.0%           |   |                                 |                                 |  |
| SHR03                                    | Payroll                        | 2.0              | 58,950             | 8.5%           | 5,000                                   |                                 |                                 | Impact of JE   |
| SHR04                                    | Learning And Development       | 0.8              | 39,850             | 0.0%           |   |                                 |                                 |  |
| SIT01                                    | It Gazetteer Management        | 2.0              | 63,810             | 0.0%           |   |                                 |                                 |  |
| SIT02                                    | It Information Management      | 1.0              | 27,450             | 0.0%           |   |                                 |                                 |  |
| SIT03                                    | It Information Technology      | 12.7             | 822,400            | 0.0%           |   |                                 |                                 |  |
| SLD01                                    | Electoral Registration         | 4.0              | 111,040            | 0.0%           |   |                                 |                                 |  |
| SLD01A                                   | Election Costs                 | 0.0              | 20,000             | 5.0%           | 1,000                                   |                                 |                                 | Impact of JE   |
| SLD02                                    | Democratic Rep And Management  | 2.8              | 414,720            | 2.4%           | 10,000                                  |                                 |                                 | £2.5k for members transport, £7k for Mod.Gov but this should be cost neutral although savings will show against print budget in ICT  |
| SLD04                                    | Legal Services                 | 5.0              | 187,150            | 4.0%           | 7,500                                   |                                 |                                 | Appointment of higher grade solicitor  |
|  | <b>54</b>                      | <b>3,750,280</b> | <b>2.1%</b>        | <b>78,500</b>  | <b>45,000</b>                           | <b>50,000</b>                   |                                 |  |
| <b>Community Well Being PDG</b>          |                                |                  |                    |                |   |                                 |                                 |  |
| SCD01                                    | Community Development          | 5.2              | 419,900            | 0.5%           | 2,300                                   |                                 |                                 | JE Regrade   |
| SCD02                                    | Economic Development           | 2.0              | -21,910            | -109.5%        | 24,000                                  |                                 |                                 | Not achieving increased income budget at market. JE regrades.  |
| SCS20                                    | Customer Services Admin        | 3.5              | 154,910            | 0.0%           |   |                                 |                                 |  |
| SCS22                                    | Customer First                 | 23.0             | 642,450            | 3.0%           | 19,500                                  |                                 |                                 | Maintenance for new Kiosk 1.5k & 5k new EMR for replacement fund. Impact of JE and staff transfer  |
| SES01                                    | Emergency Planning             | 0.0              | 0                  |                |   |                                 |                                 |  |
| SES03                                    | Community Safety - C.C.T.V.    | 0.2              | 3,100              | 0.0%           |   |                                 |                                 |  |
| SES11                                    | Pool Cars                      | 0.0              | 6,480              | 0.0%           |   |                                 |                                 |  |
| SES16                                    | Es Staff Units/Recharges       | 14.1             | 609,390            | 0.0%           |   |                                 |                                 |  |
| SES17                                    | Community Safety               | 1.7              | 55,440             | 0.0%           |   |                                 |                                 |  |
| SES18                                    | Food Safety                    | 0.0              | -1,530             | 0.0%           |   |                                 |                                 |  |
| SES19                                    | Health And Safety At Work      | 1.0              | 22,710             | 0.0%           |   |                                 |                                 |  |
| SES20                                    | Health Education               | 0.0              | 0                  |                |   |                                 |                                 |  |
| SES21                                    | Licensing                      | 2.8              | -12,500            | -72.0%         | 9,000                                   |                                 |                                 | Increase in staff hrs -agreed 13-14 wasn't included in budget. LW still to review fees   |
| SES22                                    | Pest Control                   | 0.0              | 5,500              | 0.0%           |   |                                 |                                 |  |
| SES23                                    | Pollution Reduction            | 0.0              | 2,710              | 0.0%           |   |                                 |                                 |  |
| SPR01                                    | Building Regulations           | 5.0              | 11,640             | 515.5%         | 60,000                                  |                                 |                                 | Review income during year to check performance vs budget   |
| SPR02                                    | Enforcement                    | 2.5              | 97,800             | 0.0%           |   |                                 |                                 |  |
| SPR03                                    | Development Control            | 23.2             | 75,160             | 0.0%           |   |                                 |                                 |  |
| SPR04                                    | Local Land Charges             | 1.8              | -20,450            | 0.0%           |   |                                 |                                 |  |
| SPR06                                    | Economic Development           | 2.5              | -60,360            | -164.0%        | 99,000                                  |                                 |                                 | Economic Dev Post. Town Centre Manager £41k and Economic development officer £21k- poss fund from NHB?   |
| SPR07                                    | Tourism Pol, Marketing & Devel | 0.0              | 0                  |                |   |                                 |                                 |  |
| SPR09                                    | Forward Planning               | 7.2              | 249,310            | 0.0%           |   |                                 |                                 |  |
| SPR11                                    | Regional Planning              | 0.0              | 62,520             | 0.0%           |   |                                 |                                 |  |
| SRB01                                    | Collection Of Council Tax      | 8.8              | 275,020            | 0.0%           |   |                                 |                                 |  |
| SRB02                                    | Collection Of Business Rates   | 1.0              | -58,400            | 0.0%           |   |                                 |                                 |  |
| SRB03                                    | Housing Benefit Admin & Fraud  | 13.5             | 56,760             | 54.6%          | 31,000                                  |                                 |                                 | Assumed 10% cut on DWP Admin grant. Info at this time DWP will not remove fraud element as planned transfer of May 15 is after 1/5/15 - note if view changes this grant reduction could be up to 20% circa £62k. |
| SRB04                                    | Housing Benefit Subsidy        | 0.0              | 0                  |                |   |                                 |                                 |  |
| SRB06                                    | Debt Recovery                  | 1.5              | 38,170             | 0.0%           |   |                                 |                                 |  |
| SRB08                                    | Council Tax Benefit Subsidy    | 0.0              | 0                  |                |   |                                 |                                 |  |
| SRS01                                    | Recreation And Sport           | 53.9             | 141,910            | 0.0%           |   |                                 |                                 |  |
|  | <b>174</b>                     | <b>2,755,730</b> | <b>8.9%</b>        | <b>244,800</b> | <b>0</b>                                | <b>0</b>                        |                                 |  |
| <b>Decent and Affordable Housing PDG</b> |                                |                  |                    |                |   |                                 |                                 |  |
| SES15                                    | Private Sector Housing Grants  | 4.1              | 110,460            | 16.2%          | 17,900                                  |                                 |                                 | Half post not budgeted for in E/health Restructure   |
| SHG02                                    | Housing Advice                 | 0.0              | 103,710            | 0.0%           |   |                                 |                                 |  |
| SHG03                                    | Homelessness Accommodation     | 6.5              | 206,190            | 0.0%           |   |                                 |                                 |  |
|  | <b>11</b>                      | <b>420,360</b>   | <b>4.3%</b>        | <b>17,900</b>  | <b>0</b>                                | <b>0</b>                        |                                 |  |
| <b>Managing the Environment PDG</b>      |                                |                  |                    |                |   |                                 |                                 |  |
| SCP01                                    | Parking Services               | 0.0              | -434,000           | -10.1%         | 44,000                                  |                                 |                                 | Income below profile and not looking to achieve additional £44k - review vs budget   |
| SES02                                    | Cemeteries                     | 1.1              | -39,670            | -28.3%         | 11,220                                  |                                 |                                 | Additional salary costs  |
| SES04                                    | Public Health                  | 0.0              | 2,160              | 0.0%           |   |                                 |                                 |  |
| SES05                                    | Open Spaces                    | 2.2              | 156,900            | 0.0%           |   |                                 |                                 |  |
| SGM01                                    | Grounds Maintenance            | 18.5             | 542,680            | 1.1%           | 6,000                                   |                                 |                                 | Sinking fund of new Tractor.   |
| SPS01                                    | Asset Management               | 0.0              | 8,750              | 0.0%           |   |                                 |                                 |  |
| SPS03                                    | Flood Defence And Land Drain   | 0.0              | 26,430             | 0.0%           |   |                                 |                                 |  |
| SPS04                                    | Street Naming & Numbering      | 0.2              | 8,280              | 0.0%           |   |                                 |                                 |  |
| SPS05                                    | Administration Buildings       | 0.1              | 243,500            | 0.0%           |   |                                 |                                 |  |
| SPS06                                    | Mddc Depots                    | 0.0              | 58,610             | 0.0%           |   |                                 |                                 |  |
| SPS07                                    | Public Transport               | 0.0              | -17,440            | 0.0%           |   |                                 |                                 |  |
| SPS08                                    | Office Building Cleaning       | 3.1              | 54,930             | 0.0%           |   |                                 |                                 |  |
| SPS09                                    | Property Services Staff Unit   | 8.9              | 256,860            | 2.0%           | 5,100                                   |                                 |                                 | Apprentice to work along side Technical officer. Could be more depending on cost of Agency for the Technical Officer   |
| SPS10                                    | Tourist Information Centre     | 0.0              | -7,360             | 0.0%           |   |                                 |                                 |  |
| SPS11                                    | Public Conveniences            | 1.7              | 122,870            | 0.0%           |   |                                 |                                 |  |
| SWS01                                    | Street Cleansing               | 8.2              | 342,880            | 0.0%           |   |                                 |                                 |  |
| SWS02                                    | Waste Collection               | 30.8             | 1,203,760          | 1.8%           | 21,500                                  |                                 |                                 | 1 additional member of staff   |
| SWS03                                    | Recycling                      | 25.8             | 623,400            | 11.5%          | 71,980                                  |                                 |                                 | Rent, forklifts, 1 add staff, baler loan+fund+annual maint   |
| SWS03                                    | Recycling - OCT 15 NEW SCHEME  |                  |                    |                | 158,000                                 | 95,000                          |                                 | Pwlb loan recycling receptacles + estimated cost of administrating new scheme  |
| SWS04                                    | Waste Management               | 5.3              | 230,220            | 0.0%           |   |                                 |                                 | Funding for new recycling vehicles??   |
|  | <b>106</b>                     | <b>3,383,760</b> | <b>9.4%</b>        | <b>317,800</b> | <b>95,000</b>                           | <b>0</b>                        |                                 |  |
| <b>GRAND TOTAL</b>                       |                                | <b>345</b>       | <b>10,310,130</b>  | <b>6.4%</b>    | <b>659,000</b>                          | <b>140,000</b>                  | <b>50,000</b>                   |  |

|  | Provisional<br>Capital<br>Programme<br>2015/16<br>£k | Estimated<br>Capital<br>Programme<br>2016/17<br>£k | Estimated<br>Capital<br>Programme<br>2017/18<br>£k | Estimated<br>Capital<br>Programme<br>2018/19<br>£k | Total<br>£k   |
|--|--|--|--|--|---------------|
| <b>Estates Management</b>  |  |  |  |  |               |
| <b>Leisure - Site Specific</b>   |  |  |  |  |               |
| <b>Lords Meadow leisure centre</b>   |  |  |  |  |               |
| Main car park resurfacing  | 50   |  |  |  | 50            |
| Replace main filters -including access arrangements  |  | 70   |  |  | 70            |
| Tennis Court resurfacing and lining (subject to need)  |  | 25   |  |  | 25            |
| Swimming pool tiling and balance tank fabrication  |  |  | 50   |  | 50            |
| Squash Court roof -valleys steps   | 20   |  |  |  | 20            |
| <b>Exe Valley leisure centre</b>   |  |  |  |  |               |
| * Fitness gym extension  | 500  |  |  |  | 500           |
| Inflatable dome for tennis courts (subject to business case)   | 0  |  |  | 80   | 80            |
| <b>Culm Valley sports centre</b>   |  |  |  |  |               |
| * Fitness gym extension  | 0  |  |  | 500  | 500           |
| <b>Total</b>   | <b>570</b>   | <b>95</b>  | <b>50</b>  | <b>580</b>   | <b>1,295</b>  |
| * Figures included per Leisure consultants report - further work required & subject to Business Case demonstrating acceptable payback period |  |  |  |  |               |
| <b>Other MDDC Buildings</b>  |  |  |  |  |               |
| <b>Pannier Market</b>  |  |  |  |  |               |
| Pannier Market paving resurfacing (subject to planning)  |  | 150  |  |  | 150           |
| Pannier Market decoration -whole building out of hours   |  |  |  | 60   | 60            |
| <b>Town Hall</b>   |  |  |  |  |               |
| Secondary means of escape-improved use of chamber  |  |  | 30   |  | 30            |
| High level maintenance on the structure -repointing etc  |  |  | 50   |  | 50            |
| <b>General Car parks</b>   |  |  |  |  |               |
| <b>Pay and Display and Amenity Car Parks</b>   |  |  |  |  |               |
| Beck Square car park -resurface and lining   |  |  | 50   |  | 50            |
| William Street Car Park-resurface and reline   |  | 50   |  |  | 50            |
| <b>MSCP Improvements</b>   |  |  |  |  |               |
| Planned replacement expansion joint replacement  | 40   |  | 40   |  | 80            |
| Surfacing Road past M & S to MSCP  |  | 50   |  |  | 50            |
| <b>MDDC Depot sites</b>  |  |  |  |  |               |
| Lords Meadow Depot -Replace/repair asbestos roof   |  |  |  | 50   | 50            |
| Old Road Depot -Yard resurfacing and lining (subject to move)  |  | 35   |  |  | 35            |
| Station Yard- Yard resurfacing and lining (subject to move)  |  |  | 35   |  | 35            |
| Old Road roof - permanent repairs  |  |  |  | 50   | 50            |
| Depot relocation land purchase and fit out   |  | 2,500  |  |  | 2,500         |
| <b>Play Areas</b>  |  |  |  |  |               |
| Play area refurbishment district wide  | 50   | 50   | 50   | 50   | 200           |
| <b>Cemeteries</b>  |  |  |  |  |               |
| Chapel roofs Tiverton and Crediton   |  |  | 40   |  | 40            |
| <b>Other Projects</b>  |  |  |  |  |               |
| Land drainage flood defence schemes  | 50   | 50   | 50   | 50   | 200           |
| Sewage Pumping Stations (HRA)  | 50   | 50   | 50   | 50   | 200           |
| <b>Total</b>   | <b>190</b>   | <b>2,935</b>                                       | <b>395</b>   | <b>310</b>   | <b>3,830</b>  |
| <b>HRA Projects</b>  |  |  |  |  |               |
| Housing Maintenance Fund   | 3,500  | 3,500  | 3,500  | 3,500  | 14,000        |
| Disabled Facilities Grants - Council Houses  | 291  | 297  | 303  | 309  | 1,200         |
| Palmerston Park Tiverton - affordable dwellings  | 4,000  |  |  |  | 4,000         |
| Culmstock  | 700  |  |  |  | 700           |
| Conversion of Shapland Place garages Tiverton - dwellings or starter units   |  | 1,000  |  |  | 1,000         |
| Round Hill Tiverton site development   |  |  | 3,000  |  | 3,000         |
| <b>Total</b>   | <b>8,491</b>   | <b>4,797</b>                                       | <b>6,803</b>                                       | <b>3,809</b>                                       | <b>23,900</b> |
| <b>ICT Projects</b>  |  |  |  |  |               |
| Replacement of PC estate 330s  | 40   | 0  | 40   | 0  | 80            |
| Server farm expansion/upgrades   | 20   | 0  | 20   | 0  | 40            |
| Unified Comms/telephony  | 50   | 25   |  |  | 75            |
| Digital Transformation   |  | 50   | 100  | 100  | 250           |
| Mobile Working NDL MX  | 30   |  |  |  | 30            |
| Members Mobile   | 25   |  |  |  | 25            |
| SQL/Oracles refreshes  | 20   | 50   |  |  | 70            |
| HRA Digital Transformation (HRA)   | 30   |  |  |  | 30            |
| InCab  | 60   |  |  |  | 60            |
| E-Financials Technical refresh   | 20   |  |  |  | 20            |
| Uniform Technical refresh  | 20   |  |  |  | 20            |
| Misc items in future years   |  | 175  | 140  | 200  | 515           |
| <b>Total</b>   | <b>315</b>   | <b>300</b>   | <b>300</b>   | <b>300</b>   | <b>1,215</b>  |

|  | Provisional<br>Capital<br>Programme<br>2015/16<br>£k | Estimated<br>Capital<br>Programme<br>2016/17<br>£k | Estimated<br>Capital<br>Programme<br>2017/18<br>£k | Estimated<br>Capital<br>Programme<br>2018/19<br>£k | Total<br>£k    |
|--|--|--|--|--|----------------|
| <b>Affordable Housing Projects</b>   |  |  |  |  |                |
| Grants to housing associations to provide houses (covered by Commuted Sums)              | 0  | 300  | 300  | 300  | 900            |
| Affordable Housing 0.67 FTE  | 26   | 26   | 26   | 26   | 104            |
| Alexandra Lodge - contribution to Care Home Provision                                    | 300  |  |  |  | 300            |
| <b>Total</b>   | <b>326</b>   | <b>326</b>   | <b>326</b>   | <b>326</b>   | <b>1,304</b>   |
| <b>Private Sector Housing Grants</b>   |  |  |  |  |                |
| Work in Default /Discretionary Grants  | 0  | 0  | 0  | 0  | 0              |
| Loans Scheme (Wessex Reinvestment Trust)   | 0  | 0  | 0  | 0  | 0              |
| Empty Homes  | 102  | 104  | 106  | 108  | 420            |
| Disabled Facilities Grants-P/Sector  | 459  | 468  | 477  | 487  | 1,891          |
| <b>Total</b>   | <b>561</b>   | <b>572</b>   | <b>583</b>   | <b>595</b>   | <b>2,311</b>   |
| <b>Economic Development Projects</b>   |  |  |  |  |                |
| Schemes as yet to be identified  | 100  | 100  | 100  | 100  | 400            |
| <b>Total</b>   | <b>100</b>   | <b>100</b>   | <b>100</b>   | <b>100</b>   | <b>400</b>     |
| <b>Replacement Vehicles</b>  |  |  |  |  |                |
| Grounds Maintenance  | 58   | 0  | 30   | 35   | 123            |
| Housing Repairs (HRA)  | 59   | 0  | 24   | 0  | 83             |
| Street Cleansing   | 50   | 0  | 0  | 67   | 117            |
| Refuse Collection  | 195  | 320  | 160  | 165  | 840            |
| Trade Waste  | 160  | 0  | 0  | 0  | 160            |
| Recycling  | 0  | 0  | 0  | 0  | 0              |
| CCTV Initiatives   | 40   | 0  | 0  | 0  | 40             |
| <b>Total</b>   | <b>562</b>   | <b>320</b>   | <b>214</b>   | <b>267</b>   | <b>1,363</b>   |
| <b>Waste &amp; Recycling</b>   |  |  |  |  |                |
| No Costs included for new Refuse & Recycling scheme Oct '15 prior to PDG recommendations |  |  |  |  | 0              |
| <b>Total</b>   | <b>0</b>   | <b>0</b>   | <b>0</b>   | <b>0</b>   | <b>0</b>       |
| <b>Grand Total</b>   | <b>11,115</b>  | <b>9,445</b>                                       | <b>8,771</b>                                       | <b>6,287</b>                                       | <b>35,618</b>  |
|  | 0  | 0  | 0  | 0  | 0              |
|  |  |  |  |  |                |
| <b>Funding</b>   | <b>2015/16</b>                                       | <b>2016/17</b>                                     | <b>2017/18</b>                                     | <b>2018/19</b>                                     | <b>Total</b>   |
|  | <b>£k</b>  | <b>£k</b>  | <b>£k</b>  | <b>£k</b>  |                |
| Council House sales  | -300   | -300   | -300   | -300   | -1,200         |
| Council House sales (1 for 1 receipts - replacement Homes)                               | -300   | -300   | -300   | -300   | -1,200         |
| Misc Land/Property sales   | -80  | -80  | -80  | -80  | -320           |
| Disabled Facility Grants - Mandatory - Private Sector                                    | -254   | -254   | -254   | -254   | -1,016         |
| HRA Revenue Contribution   | -139   | -50  | -74  | -50  | -313           |
| HRA Revenue Contribution - Council House Building  | -4,400   | -700   | -2,700   |  | -7,800         |
| Housing Maintenance Fund   | -3,500   | -3,500   | -3,500   | -3,500   | -14,000        |
| Decent Homes Backlog Funding   |  |  |  |  | 0              |
| Affordable Housing S106s - matched to spend  | -326   | -326   | -326   | -326   | -1,304         |
| General Capital Reserve  | -65  | -65  | -65  | -65  | -260           |
| 2014/15 capital programme forecast net u/spends  | 0  | 0  | 0  | 0  | 0              |
| Regional Housing Pot Reserve   | -12  | -12  | -11  | -11  | -46            |
| Revenue Contribution from General Fund   | -125   | -125   | -125   | -125   | -500           |
| Amounts req'd from New Homes Bonus   | -1,039   | -732   | -606   | -822   | -3,199         |
| Contribution from UCR  | -25  | -25  | -25  | -25  | -100           |
| Contribution from sinking funds  | -161   | -190   | -120   | -144   | -615           |
| Contribution from Private Sector Housing Grant EMR                                       | -311   | -286   | -285   | -285   | -1,167         |
| Contribution from CGU non specific reserve   | -78  |  |  |  | -78            |
| PWLB Borrowing   | 0  | -1,500   |  |  | -1,500         |
| Capital Receipt for Town Hall & depot Rationalisation                                    |  | -1,000   |  |  | -1,000         |
| <b>Total Funding</b>   | <b>-11,115</b>                                       | <b>-9,445</b>                                      | <b>-8,771</b>                                      | <b>-6,287</b>                                      | <b>-35,618</b> |
|  | 0  | 0  | 0  | 0  | 0              |
| <b>Funding Gap</b>   | <b>0</b>   | <b>0</b>   | <b>0</b>   | <b>0</b>   | <b>0</b>       |

**HRA BUDGET 2015/16**

**Cabinet Member** Cllr Peter Hare-Scott, Cllr Ray Stanley  
**Responsible Officer** Head of Finance, Head of Housing

**Reason for Report:** This report provides an estimate of the budget required for the operation of the Housing Revenue Account (HRA) in 2015/16. The remaining uncertainties are the specifics of the rent increase and the ongoing effect that welfare reform will have.

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

**Relationship to Corporate Plan:** The financial resources of the Council directly impact on its ability to deliver its Corporate Plan objectives/pledges.

**Financial Implications:** A balanced and realistic budget must be set for 2015/16 in order that the HRA reserve is not threatened with unplanned expenditure. The rent convergence target of 2015/16 will need to be met in order that the 30 year business plan's need for much greater investment in the housing stock is achievable.

**Legal Implications:** It is a statutory requirement for the Council to set a balanced budget.

**Risk Assessment:** Service managers and Finance staff have assessed volatility in income and large contractor budgets. In addition, reserves will continue to be maintained at prudent levels and grown in some cases to meet future pressures.

**1.0 Introduction**

- 1.1 Finance and Housing officers have now collated a draft budget for 2015/16 which proposes a balanced budget position, shown here in Appendix 1. This means that we are able to predict with relative certainty the majority of the HRA budget areas.

**2.0 Draft Budget**

- 2.1 We are required to set an HRA budget where expenditure is balanced by income. The income is made up primarily of dwelling rents whereas the expenditure consists of day-to-day operations, corporate overheads and capital expenditure. The largest expenditure in the HRA is an annual debt repayment of £2,645k that is made to the Public Works Loan Board.
- 2.2 Our rent income (both dwelling and non-dwelling) is expected to generate in excess of £13m in 2015/16.

- 2.3 The major challenge for managers in setting next year's budget is to meet the significant demand for investment in property maintenance in the long term. It is proposed that £2,113k be budgeted as an annual contribution to the Housing Maintenance Fund to provide for any spikes in demand in future years. The Repairs budgets are showing an increase at present due to increased use of external contractors. However, officers intend to put plans in place to reduce this budget in time for the final budget report in January.
- 2.4 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 in line with estimated salary growth.

#### **Rent**

- 2.5 MDDC rents currently lag behind Formula Rent (the target that we are tasked with meeting by 2015/16). DCLG are increasing Formula Rent by 2.8%. This means that MDDC need to increase rent even more if the gap is to be closed in time.
- 2.6 By increasing the rents by an average of 3.4%, we will ensure that the vast majority of properties have reached the Formula Rent and those that lag further behind are moved towards Formula Rent as quickly as is possible.

#### **Other Fees & Charges**

- 2.7 It is proposed that garage plot ground rents are increased from £165 to £185 per annum. This move is designed to align them more closely with residential parking permits, which will cost £375 in the coming year. In addition, it is proposed that garage rents increase by 2.3% to £11.25 per week.

#### **HRA Reserve**

- 2.8 It is anticipated that the HRA reserve balance will stand at approximately £2m at the beginning of 2015/16. There is no plan to utilise the reserve to fund revenue expenditure. It seems sensible for members to revisit the level of reserve and agree upon a level appropriate to the situation that the HRA now finds itself in.
- 2.9 The work identified in the most recent stock condition survey means that there will be increased pressure on the HRA reserve over the coming years. Managers will need to invest time in business planning and strategy in order to meet the funding demands of the work identified.

#### **3.0 Future Issues**

- 3.1 The single biggest issue facing social housing is welfare reform. Great uncertainty exists about the details of new arrangements for the future. What is more, the implications of these changes are difficult to quantify. Once new arrangements have bedded in, it will be clearer what action MDDC need to take. For instance, it is not clear when Universal Credit will be introduced, if at all.

- 3.2 The Supported Housing service is changing hugely in 2015/16 in that the Warden service will cease to operate from April onwards. This will reduce both income and expenditure and will give MDDC more certainty about its future income and expenditure streams.
- 3.3 This budget has been set on the basis of agreed funding, with a much reduced operational structure, following the decision by Cabinet. The service will then comprise Community Alarms provided to tenants and non-tenants as well as a small Warden service provided to clients with Learning Disabilities.
- 3.4 The prospect of building new social housing raises the issue of significant financing requirements. It means that reserves may need to be built up or additional debt taken on (subject to the cap on debt) in the near future, increasing the pressure on the revenue budget each year.
- 3.5 Further reports will be set before members as and when there are developments on any of these issues.

#### **4.0 Conclusion**

- 4.1 The proposals from this meeting will be used to prepare the final budget proposals, to be brought before this group on 20/01/15.

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**Background Papers:** None  
**File Reference:** None  
**Circulation of Report:** Management Team



## Housing Revenue Account Budget

| Code   | Best Value Unit                             | Previous Year Outturn | Current Year YTD Actuals | Current Year Budget | Movement           | Proposed Budget 2015/16 |
|--------|---|-----------------------|--------------------------|---------------------|--------------------|-------------------------|
| BHO01  | Dwelling Rents                              | (11,892,276)          | (6,731,667)              | (12,466,560)        | (336,710)          | (12,803,270)            |
| BHO02  | Non Dwelling Rents                          | (525,706)             | (297,858)                | (525,060)           | (3,850)            | (528,910)               |
| BHO03  | Warden Income                               | (330,507)             | (101,156)                | (329,080)           | 298,100            | (30,980)                |
| BHO04  | Leaseholders' Service Charges               | (12,712)              | 0                        | (13,500)            | 410                | (13,090)                |
| BHO05  | Contributions Towards Expenditure           | (37,860)              | (18,530)                 | (35,300)            | 330                | (34,970)                |
| BHO06  | Community Alarms Income                     | (133,637)             | (115,110)                | (133,930)           | (4,240)            | (138,170)               |
| BHO06B | Miscellaneous & Solar Panel Income          | (484,305)             | (177,517)                | (19,000)            | (150,000)          | (169,000)               |
| BHO07  | H.R.A. Investment Income                    | (27,108)              | 0                        | (41,000)            | 1,000              | (40,000)                |
| BHO09  | Repairs And Maintenance                     | 2,530,898             | 1,623,806                | 2,647,920           | 221,900            | 2,869,820               |
| BHO10  | Supervision & Management                    | 1,437,182             | 966,022                  | 1,800,000           | 160,580            | 1,960,580               |
| BHO11  | Special Services                            | 394,796               | 190,165                  | 382,970             | (204,270)          | 178,700                 |
| BHO17  | Bad Debt Provision Movement                 | (1,303)               | 0                        | 25,000              | 0                  | 25,000                  |
| BHO18  | Share Of Corporate And Democratic           | 154,530               | 84,082                   | 181,600             | 21,290             | 202,890                 |
| BHO20  | Interest Payable                            | 1,375,123             | 632,384                  | 2,812,000           | (1,344,210)        | 1,467,790               |
| BHO22  | H.R.A. Transfers between earmarked reserves | 2,077,992             | 0                        | 0                   | 125,000            | 125,000                 |
| BHO23  | Revenue Contribution to Capital             | 2,907,973             | 0                        | 145,580             | (17,180)           | 128,400                 |
|        | <b>TOTAL</b>                                | <b>(2,606,355)</b>    | <b>(3,945,380)</b>       | <b>(5,568,360)</b>  | <b>(1,231,850)</b> | <b>(6,800,210)</b>      |

|                 |  |  |           |           |           |
|-----------------|--|--|-----------|-----------|-----------|
| Recharges       |  |  | 1,205,890 | 12,060    | 1,217,950 |
| Capital charges |  |  | 4,362,470 | 1,219,790 | 5,582,260 |
| <b>TOTAL</b>    |  |  | <b>0</b>  |           | <b>0</b>  |

**Assumptions**

Social Rents to increase by an average of 3.4% to give an average of £81.20  
 Formula Rent to increase by 2.8%  
 Affordable Rents to increase by 2.8%  
 Garage rents to increase from £11.00 to £11.25 per week  
 95% occupancy in HRA retail units  
 The Warden Service to cease operation  
 Community alarm customer numbers to remain high + 50 customers from within the tenant population  
 HRA cash balances to remain high in the short term  
 Debt repayments of £2,645k to PWLB and £125k to GF  
 £2,113k contribution to the Housing Maintenance Fund to be made  
 Recharges to grow with salary inflation

## 15/16 Budget Changes (since PDG's)

| Cost Centre                                    | Description  | £  |
|--|--|--|
|  | Budget gap estimated at November/December PDGs and Cabinet     | 650,178                                  |
| Housing Benefit                                | HB Admin Grant - Circa £10k reduction - awaiting confirmation  | 10,000 Revised figure from DWP           |
| Corporate Fees/Charges                         | Sector fees overbudgeted in first draft                        | -9,050                                   |
| Collection Fund                                | Projected C/Fund surplus (at 05/12/14) lower than budgeted     | 6,670                                    |
| Community Development - Grants                 | Reduction in group 1 and 2 grants as agreed                    | -6,475                                   |
| Community Development - Grants                 | Reduction in seed fund to offset savings not achieve on grants | -13,825                                  |
| Car parks                                      | Updated with current income levels                             | -10,000                                  |
| RCCO reduce - as NHB funding capital shortfall |  | -125,000                                 |
| Waste/recycling - new scheme savings           | Agreed to set a global figure of £200k                         | -200,000 1/2 year savings + set up costs |
| Revised Formula Grant                          |  | -83,000                                  |
| Rev'd leisure income/costs                     |  | -25,000                                  |
| E/Health Riams Webbase Software                | Web base software for Health                                   | 2,000                                    |
| Feed in tariff (Leisure sites)                 |  | -30,000                                  |
| Dev Control Fees                               | Note - JC recommended £40k further increase                    | -70,000                                  |
| Pollution Licenses Income                      | Budget set too high in 14/15                                   | 2,500 £13.5 - Reduced to £11k            |
|  | <b>Total changes to be agreed</b>                              | <b>-551,180</b>                          |
|  | <b>New budget gap after the above changes/revisions</b>        | <b>98,998</b>                            |

### Notes

Formula grant agreed on 18/12/14 - confirming a grant cut of £574k - which was £83k better than the provisional sum announced 12 months earlier  
Council tax freeze grant offered for 2015/16 @ 1% - so circa = £50k. Note - if Ctax freeze grant accepted budget gap increases by £25k  
Referendum limit agreed at 2% for 2015/16  
Nothing included at the moment for: shared ICT work, Mkt Walk or Fore St properties

## Cabinet 8 January 2015

### Budget 2015/16 - Update

|   |   |
|---|---|
| <b>Portfolio Holder<br/>Responsible Officer</b> | Cllr Peter Hare-Scott<br>Head of Finance  |
| <b>Reason for Report:</b>                       | To consider options available in order for the Council to move towards a balanced budget for 2015/16.   |
| <b>RECOMMENDATION:</b>                          | To consider and agree the updated budget proposals for 2015/16 included in Appendix 1.  |
| <b>Relationship to<br/>Corporate Plan:</b>      | To deliver our Corporate Plan's priorities within existing financial resources.   |
| <b>Financial Implications:</b>                  | Now the Council has received notification of its Formula Grant Settlement it is imperative that it matches current and ongoing expenditure plans to estimated sources of income/funding.  |
| <b>Legal Implications:</b>                      | It is a statutory requirement for the Local Authority to set a balanced budget.   |
| <b>Risk Assessment:</b>                         | Service Managers and Finance staff have assessed volatility in income and large contractor budgets, taking account of current and estimated future demand patterns. This position has been revised based on an additional 2 months of financial monitoring information. In addition prudent levels of reserves will also continue to be maintained. |

#### 1.0 Introduction

1.1 On the 18 December 2014 the Council received formal confirmation of its Formula Grant Settlement (but no provisional notification for 2016/17 – which clearly doesn't assist any future financial planning) and details relating to a Council Tax Freeze Grant and the Referendum Limit.

#### 2.0 2015/16 general Fund Budget - Revised Position

2.1 Since the first round of PDGs and Cabinet meetings the Finance team and service managers have been revisiting a range of budgets to strive to deliver more savings or increased income levels.

2.2 This process (excluding the Formula Grant Settlement) has improved the General Fund budget by circa £468k (see Appendix 1) and now only leaves a budget gap of £99k. This reflects a lot of hard work and constructive negotiation over the past 2 months.

### **3.0 Conclusion**

- 3.1 The Council still has approximately 1 month until the Cabinet will meet on the 5 February 2015 to formally recommend the overall budget and level of Council Tax for 2015/16 and officers will continue to work towards delivering a balanced budget position.
- 3.2 As the Head of Finance has discussed on a number of occasions over the past few years, the Council's financial future is only going to become increasingly challenging, not helped by receiving no indicative grant figures for 2016/17 and it therefore remains apparent that difficult decisions will have to be made in the future where we attempt to balance the needs of our residents with the available funding at our disposal. This will be a very challenge for our new Council in May 2015 – but at least the Council is in a strong/healthy financial position at the current stage and has demonstrated a solid track record of delivering significant savings over the last 4-5 years and still delivers a wide range of high performing services.

**Contact for more information:** Andrew Jarrett – Head of Finance  
**Background Papers:** Draft 2015/16 Budget Papers  
Grant Settlement Email 18/12/14

**File Reference:**

**Circulation of the Report:** Management Team, Members & Relevant Service Managers

15/16 Budget Changes (since PDG's)

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## **Briefing Report to Scrutiny Committee 8 December 2014**

### **Update from Procurement and Accounts Payable/VFM working group.**

At a Scrutiny Committee on the 14 April 2014 it was agreed to form a small member Task and Finish group to assess the Council's financial arrangements in relation to securing value for money particularly in relation to Procurement and Accounts Payable service areas.

The T&F member working group consisted of: Members - T G Hughes (Chair), E J Berry, T W Snow and N A Way. Officers – AJ, JM, CB, CC and JS.

The initial meeting of this group agreed a brief of the items/areas that they wanted to explore in more detail. These main areas were:

- 1 - Basic overview of the Procurement and Accounts Payable processes
- 2 - To interview a senior member of staff from a procurement team of a neighbouring authority
- 3 - To interview the Head of BIS to give an overview of the cost of running the ICT service

### Meeting 1 – 12 June 2014 (minutes attached)

Summary points from discussions:

- Interview with HofF to gain overview of what procurement does
- Establish what pan Devon work was ongoing
- Whether we could directly promote work to local companies
- Ask for HofBIS to attend next meeting
- Interview with Procurement Manager
- To agree next steps and establish further information that was required

### Meeting 2 – 21 August 2014 (minutes attached)

Summary points from discussions:

- Interview with Procurement Manager from Devon CC to high light Devon-wide purchasing arrangements

Meeting 3 – 29 September 2014 (minutes attached)

Summary points from discussions:

- Interview with HofBIS to discuss systems/applications, costs and comparable benchmarking figures with other Councils.

Meeting 4 – 29 October 2014 (minutes attached)

Summary points from discussions:

Final and concluding meeting which agreed the following:

Members were pleased with the work of the Council's Procurement Team

It was AGREED that the positive work of the Procurement team should be promoted internally as there was an assumption that the team were just there to help buy things. This is already being helped by the quarterly Procurement workshops being run.

It was found very useful to have an external Procurement Manager to give an overview of what joint working was happening across the County

It was AGREED that this joint working should continue

It was AGREED that service managers are the buying experts – but it is the role of Procurement to carry out the tender exercise(s) and ensure all legal requirements are complied with once the service had specified the goods/services they needed.

It was AGREED that the HofF would provide an overview of the Accounts payable process.

AP process the payment of an invoice only after the service requisitions whatever goods/services are required (this is then checked by a supervisor/manager to agree whether the goods are needed, are within budget, and whether the fin regs have been followed – goods that are bought regularly are on preferential terms with agreed suppliers – that services have to use. If this is all ok the service manager will approve the requisition. Then once the goods have been rec'd – the original requisitioner has to log onto to the finance system to agree the goods have been rec'd (check quantity and standard of delivered goods). Only after this process has been concluded and we then receive an invoice for the goods will the AP team will pay the bill. This evidences a very clear audit trail and shows the many steps that must be completed prior to a purchase invoice being released for payment.



## **Findings/Conclusion**

Members of this working group expressed their thanks to officers for providing a significant amount of information/time to enhance their knowledge of both the procurement and accounts payable functions.

It was agreed that Procurement could do more to enhance others (staff & members) knowledge of their role – this is being helped by the quarterly user group meetings now being held.

Members felt the existing arrangements with the other Devon authorities were working very well in order to maximise purchasing power with regard to a number of regular purchase items (e.g. stationary, utilities, etc.) and also worked well together in sharing resources to work on specific contracts that were Devon-wide (e.g. Devon Home Choice)

Members were made aware of neighbouring Authorities costs of ICT services and were re-assured that our costs were broadly comparable.

Members of the group felt that the current accounts payable process was very robust.

## MID DEVON DISTRICT COUNCIL

**SUMMARY** of a **MEETING** of the **PROCUREMENT WORKING GROUP** held on Thursday 12 June 2014 at 10.00am in the Members Room, Phoenix House, Tiverton.

### **Present**

**Councillors:** E J Berry, T G Hughes, T W Snow and N A Way

**Officers:** A Jarrett (Head of Finance), J May (Head of Human Resources, Learning and Development), C Busby (Procurement Manager), J Stuckey (Member Services Officer) and S J Lees (Member Services Officer)

### 1. **Election of Chairman**

Cllr T G Hughes was appointed Chairman of the Working Group.

### 2. **Apologies**

There were no apologies for absence.

### 3. **Aims, objectives and desired outcomes – project outline**

A general discussion took place as to what 'Procurement' means.

#### General background

The Head of Finance (HOF) explained that the Council had lost circa £2m of central government funding over the past 4 years. It was expected that the Formula Grant would be further reduced by £656k next year. Securing value for money had never been more important. Procurement as a service is audited annually and all arrangements heavily scrutinised. A half yearly report is presented to the Cabinet on the Procurement area detailing the work plan and the tenders and contracts being worked on.

The Procurement team comprised of 3 members of staff, 2 of which were part time. They primarily have an administrative / legal function and are not the buyers. They are not experts in particular fields of activity e.g. building therefore this is left to the officers who work in these areas.

MDDC operates within a pan Devon Procurement Strategy (signed by all Chief Executives) which is designed to secure value for money for all those all the agencies involved. Merging together ensures better buying power. The Strategy is due to be reviewed this year. By definition it is a strategic top level document, there are no supplier details listed. Other advantages in signing up to this Strategy is that the same sort of contract does not have to be negotiated 8 different times, it needs to only be done once. However, whilst the intention is to use the pan Devon Contract wherever possible there is flexibility to go outside of this for exceptional circumstances.

A general discussion took place as to what constitutes as 'local'. Ultimately the Council must bear in mind what is best for the tax payer and needs to ensure best price and best quality.

## ICT

The Working Group expressed a desire to find out more about our ICT department and to perhaps visit other authorities (although the HOF asked whether Members were technically skilled enough to be able to compare complex IT systems across authorities and their associated costs?). Members asked why DCC and MDDC could not have the same ICT systems. The HOF explained that there were different contracts, different suppliers, whoever switched would incur thousands of pounds in compensation. Members suggested therefore that compatible systems should be a goal for the future.

MDDC currently spends £1m per annum on 30 different service areas, different systems, licences, staff etc. The HOF referred to Cornwall County Council who still did not have an integrated system 3 years down the line.

See separate scoping document attached.

#### 4. **Interview with the Procurement Manager**

The Chairman requested that the Procurement Manager provide information in relation to where the Procurement Team go for advice, how the system works on a daily basis, how do they liaise with other authorities and how officers of the Council engage with the team. He also asked whether, given the further reductions expected in central government funding, any further savings / improvements could be made?

The Procurement Manager provided the following information:

- The Council operated under European Procurement laws since there was currently no specific British legislation in place. In addition to this the Council had its own Financial Regulations. The tender process followed very closely that prescribed by European legislation. This legislation was currently under review. One of the biggest challenges nationally was trying to ensure compliance. The Cabinet Office operated a system of 'mystery shoppers'. Mid Devon had one experience of this and it had been very positive in demonstrating our procedures are robust and fit for purpose.
- Further information was provided regarding the Devon Procurement Partnership. A range of public sector agencies were involved not just local authorities e.g. the Fire Service. Framework agreements were set up for on average a 3 year period, this would be subject to the nature of the contract. Individual Authorities set up framework agreements which were then shared with other authorities, for example, the furniture one was set up by DCC. There are two different ways that framework agreements work, one by a catalogue system with fixed prices and alternatively by further competition between the suppliers on the framework.
- A major benefit of being in the Partnership was the training costs being shared across the agencies taking part and the opportunities that this afforded.
- The Council was linked into the same e-tendering system as other partners.

- Confirmation was provided that the contract was always between the Council and the supplier, no third parties were involved.
- There has to be a prescribed objective process in place when dealing with tenders and contracts. Meetings are set up with potential suppliers where the process is fully explained so that they understand the Council's system up front.
- On the issue of using local suppliers she explained that the Council was not able to say 'it can only use Devon suppliers'. The legislation does not allow for this. However the Council could specify timescales which may prevent a supplier from far away places such as Scotland from engaging with us.
- She explained that officers were responsible for entering information onto the eProcurement system when they received the goods and services they have ordered. This information was mandatory before any supplier invoice could be paid.
- Payment terms could be flexible, suppliers could have immediate or 7 days rather than 30 days if they requested it.
- The Procurement Manager was asked what happens when a supplier puts their prices up. She explained that some markets are very changeable but the Council was able to build in a clause to a contract to state for example that prices could only be amended after 12 months or that if a price goes above a certain figure the contract will be terminated. This very much depended on the type of goods and services being supplied.

## 5. **Next Steps**

- a) Members need to receive information relating to ICT costs – what does it cost in terms of IT per head of population? **(CC / AJ / CB)**
- b) Copy of the pan Devon Procurement Strategy to be circulated to Working Group Members as well as a copy of the work plan. **(AJ / CB)**
- c) Members need to see a copy of the Contracts Register and what the current prices are. **(AJ / CB)**
- d) SL to set up a meeting with Procurement representatives from Devon County Council and Torridge District Council. **(SL)**

## 6. **Date of next meeting**

To be confirmed

**The meeting closed at 12.00pm**

## **MID DEVON DISTRICT COUNCIL**

**SUMMARY** of a **MEETING** of the **PROCUREMENT WORKING GROUP** held on Thursday 21 August 2014 at 10.00am in the Lowman Room, Phoenix House, Tiverton.

### **Present**

**Councillors:** E J Berry, N V Davey and T G Hughes

**Officers:** A Jarrett (Head of Finance), J May (Head of Human Resources, Learning and Development), and J Stuckey (Member Services Officer)

**Others Present:** Kevin Balding DCC Procurement Officer

### **1. Notes of the previous meeting – 12 June 2014**

The notes of the previous meeting were agreed as a true record.

### **2. Discussion with Kevin Balding DCC Procurement Officer**

The Chairman welcomed Mr Balding to the meeting.

The Officer explained to the Group that DCC were facing a similar cut to funding, in terms of percentage, as Mid Devon, but that in money terms this equated to around £110m. He explained that the County Council were approaching the cuts from a number of angles.

They were looking at statutory duties that must be done, non-statutory duties that were nice to do but could be considered for cuts and were also considering other methods of delivery. He felt that DCC were going to become more of a commissioning authority with staff actually employed by the authority being reduced. Internal departments would be externalised and the authority would be working with community led organisations. Partnerships were already in place with other organisations, such as Norfolk.

With regard to partnership working he explained that the authority were keen to do this but it was important to ensure that the right partners were chosen and that both were going in the same direction. Some partnership working had not been successful because the organisations involved were looking for different outcomes.

He explained that Mid Devon was part of a Procurement Partnership with all Devon Authorities. This gave many benefits, such as an electronic procurement system which provided one portal for the entire south west. It gave savings on common goods and services such as stationary. The energy contract had created great savings when all of the local authorities had combined their spend to gain greater efficiencies.

Examples of joint buying included stationary, furniture, water coolers, tree services, agency staff and many more.

Mid Devon had hosted an event for local companies to find out how to tender for local authority work. This had been successful with several hundred companies represented.

DCC were currently working on electronic ordering and paying regular bills automatically so that the cost of paying invoices could be reduced.

Next steps included an annual spend analysis. Mid Devon had agreed to be part of this. The Devon Procurement Group would look at all spend by all of the authorities to identify high areas of expense. These areas could then be tendered for as a group which would generate cost savings.

The Group then discussed IT issues. The Officer from DCC and the Head of Finance agreed that in order to make savings with IT systems it would be necessary for authorities to join together. However, this would probably involve investment in order to ensure that the authorities were all using the same systems. The admin costs may outweigh any savings. At the moment there were many different software applications in use, with contracts at varying stages. East Devon, Exeter City and Teignbridge were in the process of joining their IT provision and the Head of Finance and the Head of Business Information Systems would be keeping an eye on this.

The Devon Procurement Group used Exeter University to provide training in order to keep their Officers up to date.

Mr Balding explained that Procurement at DCC had already reduced its staffing levels but he did not expect any further cuts in the next three years. This was because the service was itself being used to implement further cuts.

The Chairman thanked Mr Balding for his time.

3. **General discussion**

The Head of Finance provided the Group with a copy of the MDDC Contracts Register and the Procurement Workplan.

4. **Date of next meeting:**

The Head of Business Information Systems would be attending the next meeting. The Clerk would arrange a suitable date.

**The meeting closed at 11.45am**

## MID DEVON DISTRICT COUNCIL

**SUMMARY** of a **MEETING** of the **PROCUREMENT WORKING GROUP** held on Monday 29<sup>th</sup> September 2014 at 3.30pm in the Exe Room, Phoenix House, Tiverton.

### **Present**

**Councillors:** T G Hughes and T W Snow

### **Apologies**

**Councillors:** E J Berry and N A Way

**Officers:** A Jarrett (Head of Finance), C Cross (Head of Business Information Services) and J Stuckey (Member Services Officer)

#### **1. Notes of the previous meeting – 21 August 2014**

The notes of the previous meeting were agreed as a true record.

#### **2. Head of Business Information Systems**

The Head of Business Information Systems gave a presentation in which she explained the progress that had been made in her service and plans for the future. (Copy of the presentation attached to notes.)

Discussion took place regarding:

Applications and software – there were several software applications available for Revenues and Benefits and Local Authorities were able to use whichever suited their needs. If there was to be more joint working this would need to be taken into consideration.

Most Devon Authorities used one of a choice of two software systems for Finance. When Mid Devon needed a new system only these two were considered, so that should there be joint working in future the same software could be used.

There had been large financial savings made by the removal of desk top printers.

Property data had previously been held on seven different applications. This had been consolidated to one system and had highlighted properties that had slipped through the net previously.

The total paid on licences was in the region of £405K, which included support and maintenance.

The Head of Business Information Services was about to start joint arrangements with North Devon District Council. This was not just a case of her time being split between the two authorities as had happened before when Managers had been shared, she explained that her aim was to run one IT Service for the two authorities, with multiple delivery points.

Salaries totalled £451,000K for 12 staff, software £405,000K including support and maintenance and hardware £14600K. £300K was allocated for capital bids.

The Officer had asked 18 other Authorities within Devon, Somerset and Dorset what their IT spend was. Only 4 Authorities (Sedgemoor, Mendip, Torridge and West Somerset) had responded. The Officer reported that Mid

Devon's expenditure was within the norm for these Authorities. **These figures would be given to the Clerk for issue to the Group.**

The Members of the Group present then requested a visit to the IT Service and the Head of Service took them there.

3. **Next Steps**

Cllr Snow requested that the Head of Finance explain procurement of vehicles and plant at the next meeting.

It was agreed that a further meeting of the Group would be required in order to discuss the information that had been gathered in previous meetings and form conclusions. From these conclusions the Group would need to agree on any recommendations and a draft report would need to be written to go back to the Scrutiny Committee.

4. **Date of next meeting:**

16<sup>th</sup> October 2014 at 10.00am

**The meeting closed at 16.40**



## MID DEVON DISTRICT COUNCIL

**SUMMARY** of a **MEETING** of the **PROCUREMENT WORKING GROUP** held on 29<sup>th</sup> October 2014 at 10.00am in the Exe Room, Phoenix House, Tiverton.

### **Present**

**Councillors:** E J Berry and T G Hughes

### **Apologies**

**Councillors:** T W Snow and N A Way

### **Officers:**

A Jarrett (Head of Finance), J May (Head of Human Resources, Training and Development) and J Stuckey (Member Services Officer)

#### 1. **Notes of the previous meeting –29 September 2014**

The notes of the previous meeting were agreed as a true record.

#### 2. **Form Conclusions and Recommendations**

The working group had held three meetings;

- At the first meeting the Head of Finance and the Procurement Manager explained the MDDC procurement process;
- At the second meeting a representative from Devon County Council attended and gave an overview on procurement at DCC and the Devon Procurement Partnership;
- The Head of Business Administration Systems attended the third meeting to give an overview on the cost of running the IT service.

Discussion took place regarding previous meetings. Members agreed that they had been very satisfied with the information given to the Group by the Procurement Manager at the first meeting. Members felt that the service was acting in a responsible manner.

It was also agreed that the representative from Devon County Council gave a good presentation and confirmed that Local Authorities and the County Council were working together well to get best buying power.

It was **AGREED** that joint working should continue to be pursued.

The Group discussed IT provision and the fact that the Council had a requirement for many licences due to the number of different services provided.

The Head of Finance outlined the current tender for recycling vehicles. Ten vehicles had been ordered and they would be arriving over the next few months. The vehicles would be more fuel efficient, operationally suitable and there would be a reduction in maintenance costs. The vehicles had been specified to accommodate future collection scheme options. The procurement of vehicles followed standard procurement rules and if the costs were over £50k they were subject to the tendering process.

It was **AGREED** that the positive work of the Procurement team should be promoted internally as there was an assumption that procurement just 'buy' things and there was currently little recognition of what procurement actually was and the work they carry out.

Members **AGREED** that the report should also explain that service managers are the experts in their field and are allowed to specify their requirements. The Procurement Service carry out the tender exercise and legal requirements but always work to the specification laid down by the service.

It was **AGREED** that in his report the Head of Finance would make reference to the accounts payable service and would explain the safe practices that had been put in place to reduce risks in this area.

3. **Next Steps**

The Head of Finance would draft a report which he would distribute to the Group, with the intention of reporting back to the Scrutiny Committee at the meeting being held on 8<sup>th</sup> December 2014.

**The meeting closed at 10.45am**

## Briefing Note for Scrutiny Committee 19<sup>th</sup> January, 2015 Cabinet Member for Working Environment and Support Services

### 1. Gazetteer Services

- 1.1. The Local Land & Property Gazetteer that holds records of all properties (buildings and land) now has 53,820 records. This ensures that all council services and national organisations use a consistent address for Mid Devon properties.
- 1.2. This is achieved by matching all property information throughout the council and with the national hub. Our standard for matching is at GOLD standard, the highest standard. This information is also supplied to Fire and Rescue services.
- 1.3. There is a national initiative called INSPIRE requiring us to publish all Environmental information. This needs to be completed by March 2015. We are on target to meet this date.

### 2. Land Charges

- 2.1. Property searches are routinely turned around in one day. This generates an income of over £100k per year, this is an indication of a livelier property market
- 2.2. Street Naming and Numbering is maintained on a daily basis. The next large scale development expected is for the Farleigh Meadow proposals.

### 3. ICT Services

- 3.1. The web site is being replaced and is in draft form. Online forms in their simplest format will be available on the new web site. The complicated integration of these forms into the business systems (back office) will take some months of work to complete to make it properly digital.
- 3.2. The new ICT Service Desk system is LIVE. It will continue to be developed over the next six months. This system holds all requests for support and services for ICT. It records actions taken to resolve calls. It enables self-service for users with a Frequently Asked Questions section.
- 3.3. The Payment Kiosk has been installed in reception. The customers who have used it to pay bills are satisfied. As yet there has been no formal launch
- 3.4. The Council's intranet site called Phoenix Portal built using Sharepoint has successfully been upgraded. This has also been extensively restructured to be more reflective of ways of working rather than on an organisational basis.
- 3.5. ModernGov is a software system for Member Services that also integrates with Express (Elections) and will change and streamline the committee processes, handling of agendas and accompanying reports. It is anticipated that the next administration will have the ability to go paperless. Member services are now using the system. There will be a pilot for members sometime in January to April.
- 3.6. The Corporate system used for property related information called Uniform now has version 10 available. Version 10 will be put through the test system before releasing to the LIVE environment. No dates have been scheduled yet.
- 3.7. Total Land Charges (TLC) has been upgraded in preparation for the reporting on environmental information, known as Con29, changes next year. The Con29 forms are used as part of the land charge property searches.
- 3.8. Lalpac (Licencing) has now been upgraded. The work will start soon on implementing new forms over the next few months as there is a plan to make Licencing paperless.
- 3.9. The Time and Attendance system called Wintime needs to be upgraded in the New Year as the underlying system is no longer supported by the supplier.

- 3.10. The Projector has been replaced in the Exe Room
- 3.11. **HR System**
  - 3.11.1. eRecruitment is being built in the HR system and due for testing shortly. This is used for applying for council jobs online.
  - 3.11.2. Similarly the Learning and Development module is being built. This will save time and improve management and reporting as at the moment HR maintain Learning and Development records and requests with many spreadsheets.
  - 3.11.3. The electronic payslip element will become available via email for office based staff ie those with email addresses.
- 3.12. **Digital Transformation**
  - 3.12.1. There is extensive work being scheduled to enable the move to using digital or online channels. Some this work includes existing ICT planned work such as the review and replacement of the telephone system and the replacement web site.
  - 3.12.2. New work is the implementation of enabling the council to send text messages to customers' mobiles (SMS). There will be a corporate pilot for this as well as the Housing trials for SMS. This is the beginning of unified communications work where channels such as voice (telephone/mobile) text, email can all be merged.

#### **4. Future ICT Work**

- 4.1. There is a programme of new work that extends to 2016. This includes further Digital Transformation work as well as planned upgrades and replacements that are necessarily forced upon us by suppliers updating their own technology and systems.
- 4.2. Document Management needs to be implemented more widely into additional services. Electronic documents are necessary for digital transformation and to enable mobile working.
- 4.3. Printer replacements are to be scheduled for Planning and Print room
- 4.4. **Infrastructure –**
  - 4.4.1. There are about twelve servers still running old operating systems (2003) which need to be upgraded before April 2015. There is likely to be some impact as the business systems are migrated.
  - 4.4.2. Some switches (connecting floors and locations to the main server room) need to be replaced due to age and obsolescence.
  - 4.4.3. Citrix needs to either be replaced or upgraded. This software is used for delivering systems to the desktop and for remote access in a secure manner.
  - 4.4.4. Outlook email needs to be migrated to the new Exchange 2013 email server.
  - 4.4.5. The council's connections to the Public Service Network (PSN) (Government Secure Network) will have to start the annual round of IT Health Checks. This is to ensure that all appropriate security measures are in place and being used to keep not just our but also government systems safe and secure.. The Code of Compliance submission has to be completed mid May. This is not just a technical exercise but includes staff and members adhering to government requirements and physical security measures.

## 5. Performance

- Total number of ICT Service Desk Calls this year - 5997
- % Calls Resolved within Agreed Timescale (SLA) – averaging 82%
- Customer Satisfaction averaging 9.7 out of 10
- System up-time averaging at 100%
- ICT Services budget has some internal variations but nothing untoward. The only exception will be the additional recruitment of a Web Developer Analyst to meet the increasing demand for web service delivery.
- We have now reached a total of 682 FOI requests for the year, of these requests, about 97% were answered within the 20 day time limit.

**Christina Cross**  
Head of Business Information Services

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Contact: Mrs J Roach  
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*Date 22 October 2014*

## **Closure of Care Homes and the Effect on other Services**

At Mid Devon District Council we recently held a Special Meeting of the Scrutiny Committee in order to look at the issues surrounding the closure of the Devon County Council care homes.

At that meeting Members resolved to open a conversation with other agencies to investigate whether it would be possible for all of the organisations involved in providing care to look at ways of working together to try and alleviate pressures. We are aware that we are not the lead authority but we do feel that we would like to raise issues of concern, for example, we frequently hear of bed blocking because hospitals are unable to discharge patients. We consider that it is a matter of concern that a valuable resource such as a DCC care home is being closed when it might be a more cost effective way of providing rehabilitation, respite care or convalescence. If people are discharged home too early then it is more than likely that there will be re-admissions and the cost of a second admission might outweigh the costs of a rehab bed. Once the resource has gone then an opportunity could be lost forever.

We are also concerned that there does not appear to be an overall strategy for looking holistically at how we as a society are going to address long term health and social care needs.

It appears to us that each agency has severe pressure in terms of funding their services and are all having to make difficult decisions. As local Councillors we are aware of the significant support that is available by tapping in to voluntary service in communities. We are also aware that sometimes it is the little things that enable folks to feel supported and enable them to cope in difficult situations. Community hubs and schemes such as the Blackdown Support Group have an important role to play. It is important that people who are willing to invest time and effort in such schemes are not overly burdened with having total responsibility for fundraising.

Local Parish and District Councils could have a very important role in providing back up support and help to lonely and vulnerable people.

District Councils are heavily involved in Local Plan's; could community hubs be integrated in to new communities?

The Committee agreed that I should write to all who have responsibility in relation to policy and funding in health and social care, with the aim of asking if you would be willing to meet as a group to discuss the above points.

I would be very grateful if you could contact me to confirm that you would be interested in meeting to discuss these matters.

Yours sincerely

**Jenny Roach (Councillor)**  
**Mid Devon District Council**



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Date

### **COPY OF LETTER SENT TO DCC, CCG AND LOCAL MP'S**

Dear

I am writing with reference to my letter of 30 September 2014 regarding reductions to care services and the possibility of working together to produce a joined up approach. I have attached a copy of the letter for your information.

At the last meeting of the Scrutiny Committee I had to report that I had not received a response to that letter from you. The committee asked me to write to you to say how disappointed they were that the letter had not been responded to or at least acknowledged.

Whilst we are aware that we do not have much influence in this area we remain concerned that there does not appear to be a holistic approach. This concern is shared by members of the public who have difficulty comprehending why they see on the local news that discharges from hospital are being delayed because there are no care beds. Then at the same time they hear that residential beds for the elderly are being cut by Devon County Council. There are also frequent reports of ambulances are stacking in A and E for the same reason.

As a committee we can see benefits to each of the agencies getting together to look at a more joined up approach to this situation. It may well be that you have already adopted this approach in which case it would be reassuring to be made aware of any progress.

Regards

Jenny Roach  
Chairman of the Scrutiny Committee MDDC

Email from Councillor Stuart Barker of Devon County Council, Received on 22 December 2014, in response to an email requesting an answer to the enquiry about working with other agencies.

Thank you for the email however I do not have a letter sent directly to me dated 30<sup>th</sup> September. I did have a letter dated 2<sup>nd</sup> October and I responded to that letter. Jennie Roach subsequently wrote a response to that letter on 25<sup>th</sup> November with more questions which has been with officers and a response should be with you this week. Responses are normally made within 28 days unless there are unforeseen circumstances. The copy of an open letter you attached was sent to Parishes and others was dated 30<sup>th</sup> September but wasn't addressed specifically to me - your letter dated 2<sup>nd</sup> October did cover the questions raised at your scrutiny meeting so that was the one requiring an answer.

I think there is a misunderstanding about the position of hospital discharges. This is subject to national reporting and government regularly publish the relevant figures. If you look at the reports you will see that on average the responsibility rest significantly more with NHS services – typically in Devon they would be responsible for around 75% of delayed discharge issues. There have been few DCC social care delay issues in your area so the question of availability of residential beds is not an issue. The vast majority of discharges are to home where it is necessary to have nursing and reablement services available. Continuing Healthcare Care and Nursing Care are not DCC responsibilities.

I am afraid that the assumptions in the letter do not seem to have an evidence base but are personal views. Where we have been discharging directly to home and not using care homes for some time. In East Devon we have seen a significant reduction in readmissions within 3 months and 6 months and a reduction in the number of people needing a longer term social care support. People who access the reablement teams on discharge to home attain the facility to continue living independently much earlier than those discharged to either residential homes or cottage hospitals. The east Devon service is overseen by the Consultant Geriatrician based in the RD&E hospital and it achieves to support a higher number of people than was the case when a residential home was used. That residential home ceased providing the service over three years ago and has not been missed.

Devon has had an integrated approach to services with our CCG colleagues for over three years and has been jointly using section 256 funds from the NHS during that time. From April 2015 this will be replaced by the Better Care Fund which has been jointly agreed between DCC and both CCGs, we were recently notified that our joint plan has been approved by Government. Integrated plans have to work across the whole of Devon and not just in one local area.

I have noted the invitation to scrutiny meetings next year and am considering the position with officers before responding.

Regards

Stuart

Jan Ingram  
Assistant Director  
Social Care Provision  
The Annexe  
County Hall  
Topsham Road  
EXETER  
EX2 4QR

Tel: 01392 382197

Email: [jan.ingram@devon.gov.uk](mailto:jan.ingram@devon.gov.uk)  
Fax: 01392 382363

Your ref:                      Date: 23 December 2014  
Our ref: JI/TH                Please ask for: Tara Hooper

Dear Mrs Roach,

Thank you for your letter to Councillor Barker of 25<sup>th</sup> November, which has been passed to me for response. Councillor Barker is currently taking advice regarding the appropriateness at this stage of attending your meeting. I have responded to the comments and further questions you set out in your letter as below.

*One of the main concerns is the lack of clear information in all our correspondence in relation to options available under the Localism Act. It appears that expressions of interest have to be made in March, as the decision to close was taken after March 2014, does this mean that expressions of interest could be made in March 2015?*

The Localism Act right to challenge is not applicable to these services as decisions have been made to end services as described under Grounds for rejection – see below

Grounds for rejection are contained in the Schedule to the Community Right to Challenge (England) Regulations 2012 (2012 No 1647) (Fire and Rescue Authorities and Rejection of Expressions of Interest) (read with Regulation 4). The grounds are:

“1. The expression of interest does not comply with one or more of the requirements specified in section 81(1) or in regulations made by the Secretary of State under section 81(1)(b) (duty to consider expression of interest).

2. The relevant body provides information in the expression of interest which, in the opinion of the relevant authority, is in a material particular inadequate or inaccurate.

3. The relevant authority considers, based on the information in the expression of interest, that the relevant body or, where applicable:

(a) any member of the consortium of which it is a part, or

(b) any sub-contractor referred to in the expression of interest, is not suitable to provide or assist in providing the relevant service.

4. The expression of interest relates to a relevant service where a decision, evidenced in writing, has been taken by the relevant authority to stop providing that service.

*Did any staff members show an intention to set up a social enterprise? Were staff informed at any time of this option and the Government's commitment to encouraging staff to take over and run services?*

Staff in other areas of the county have taken this route. There is no requirement for Devon County Council to specifically communicate this opportunity to staff, however Trade Unions and staff are aware of this alternative; indeed this is not the first time services have been under review and Devon County Council staff have decided to take this route in the past.

*Mid Devon District Council supported a bid for a 50 bed care home in the grounds of Alexandra Lodge. At the point this decision was made Councillors were unaware that Charlton Lodge would be closing. In the report to Council regarding the provision of this extra care facility Devon County Council committed £1 million and MDDC committed £300k to the scheme. Given the change in circumstances, could that finance be used to refurbish Charlton Lodge to provide the extra care housing which is predicted will be the way to meet future needs?*

The funds are committed to Extra Care Housing at Alexandra Lodge.

*The question relating to risk assessments has still not be answered, the risk assessment as printed in DCC reports assesses risk, following mitigation, as a 'possible minor' – all available information indicates that the risk of an enforced move is higher than has been assessed.*

Please could you provide the information to which you refer.

*In your response to Question 9 you state 'Well UK is not overseeing the process. Transitions are managed by very experienced DCC staff. Well UK is evaluating how the process was received by sampling residents, day service users who have moved to new homes or services and their families.' Please would you explain how Well UK are going to sample the people involved in the moves, what is the sample percentage/number? When will Well UK be reporting back and who will be receiving their report. Will this report go directly to DCC Scrutiny?*

*In your response, you state 'it is expected that an interim report will be presented to Scrutiny when there are sufficient numbers sampled' surely, as this is an ongoing process, the Scrutiny committee will want to be aware of the effect of these moves on those who have already moved? It might be that information on the progress of the planned closures may require a re-evaluation of the process?*

Well UK is meeting the specification which set out:

*"The bidding organisation will be required to start work 28<sup>th</sup> July 2014 to initially and in partnership with DCC managers, familiarise themselves with the DCC transitions process and practice guidance issued to the transitional teams and with national guidance and best evidence where that exists and to refine and develop a schedule/programme of work to be agreed with the Residential and Day Projects board on 5<sup>th</sup> August 2014 that will:*

- a) *Following an initial discussion with the transitional managers to provide any initial risk based assessment of, and any recommendations for, improvement in relation to the*

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Strategic Director – People : Jennie Stephens

*DCC principles, standards, processes and practical arrangements being proposed, to ensure they are fully compatible with national guidance and best evidence.*

- b) *Provide a project plan to implement from 5<sup>th</sup> August to review a sample of at least 60 care home residents (subject to service users' agreement) and at least 120 day centre users who will have already been supported into alternative service provision. These reviews will be a robust and a detailed analysis of how the processes of transition was experienced / delivered for each of the people within the sample. If appropriate the carer for the individual will also be able to express their views.*

*This plan should describe in detail the work to be undertaken in phase 1 involving approximately 15 residential placements and 30 day care placements. (Phases 2-4 will be a development from this starting position taking into account any lessons learnt from the previous phase)*

- c) *Devise a method of gaining the views and experience of at least 60% of the service users who have not participated in the sample"*

This is an iterative process that enables learning gained from working with and supporting one group of residents and their families/ representatives to the next.

Reporting to Devon County Councils People's Scrutiny will, as described by Councillor Barker, be at points where there are sufficient numbers of reviews completed. This does not replace the interim reporting, and opportunity day by day, for Well UK to raise any concerns directly to the senior management involved in the transitions work.

*The Centre for Public Scrutiny (What Rotherham and Mid Staffordshire tell us about Scrutiny, and where it's lacking. September 2014) make several relevant points, in particular; 'In both Stafford and Rotherham, scrutiny appears to have placed too much store on the assurances of people in authority that everything was fine. Even if they had wanted to ask challenging questions, it appears they did not have access to the information to do so.' In view of these comments it would be helpful if the question in relation to Well UK and the evaluation to date could be made available before the next round of closures takes place.*

*Do all residents and service users involved in the planned moves have access to independent advocates?*

DCC continues to work within the Mental Capacity Act Code of Practice which states, 'The Act's starting point is to confirm in legislation that it should be assumed that an adult (aged 16 or over) has full legal capacity to make decisions for themselves (the right to autonomy) unless it can be shown that they lack capacity to make a decision for themselves at the time the decision needs to be made. This is known as the presumption of capacity. The Act also states that people must be given all appropriate help and support to enable them to make their own decisions or to maximise their participation in any decision-making process.'

As homes move into closure phase, an experienced team of staff is working closely with individual residents and their families to facilitate moves. The members of this team work closely with the Manager and staff of the home who have supported residents before, during and after their moves. All residents are helped and supported to fully participate in and make choices and decisions about their future.

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Independent advocates have been and will continue to support those residents with no family, carer or appointed representative. For residents without the capacity to understand the decisions relating to the changes and who do not have the support of family or a Power of Attorney, they will be fully supported by an Independent Mental Capacity Advocate (IMCA) within the requirements of the Mental Capacity Act to support them with decisions required in selecting and moving to a suitable alternative home.

I trust this provides a response to the issues and further questions you have raised. Please let me know if you need any further clarification.

Yours sincerely

A handwritten signature in black ink that reads "Jan Ingram". The signature is written in a cursive style with a large initial "J" and "I".

**Jan Ingram**  
**Assistant Director, Social Care Provision**

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