

# Public Document Pack

Mid Devon District Council

## Community Policy Development Group

Tuesday, 24 October 2023 at 2.15 pm  
Phoenix Chambers, Phoenix House, Tiverton

Next ordinary meeting  
Tuesday, 5 December 2023 at 2.15 pm

**Please Note:** This meeting will take place at Phoenix House and members of the Public and Press are able to attend via Teams. If you are intending to attend in person please contact the committee clerk in advance, in order that numbers of people can be appropriately managed in physical meeting rooms.

[Join the meeting here](#)

Meeting ID: 396 524 685 77  
Passcode: 2rWdK7

### Membership

Cllr G Cochran  
Cllr C Connor  
Cllr A Cuddy  
Cllr A Glover  
Cllr B Holdman  
Cllr H Tuffin  
Cllr C Harrower  
Cllr D Broom  
Cllr S Robinson

### 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 **Declarations of Interest under the Code of Conduct**  
To record any interests on agenda matters.

- 3 **Public Question Time**  
To receive any questions from members of the public and replies thereto.  
  
Note: A maximum of 30 minutes is allowed for this item.
- 4 **Minutes of the Previous Meeting** (*Pages 5 - 10*)  
To consider whether to approve the minutes as a correct record of the meeting held on 22 August 2023.
- 5 **Chairmans Announcements**  
To receive any announcements that the Chairman may wish to make.
- 6 **Medium Term Financial Plan (General Fund)** (*Pages 11 - 26*)  
To present to Member's the updated Medium Term Financial Plan (MTFP) which covers the period 2024/25 to 2028/29 for the General Fund (GF) and consider initial savings options.
- 7 **Leisure Policy and Pricing Strategy** (*Pages 27 - 32*)  
To inform the Community Policy Development Group of proposals to change the Leisure fees and charges strategy.
- 8 **Public Access to Phoenix House**  
To receive a verbal update from the Corporate Manager for Business Transformation and Customer Engagement regarding the Public Access Working Group.
- 9 **Work Programme**  
To receive the current work plan for the Community PDG and to identify any other items to be included.

**Stephen Walford**  
Chief Executive  
Monday, 16 October 2023

## Meeting Information

From 7 May 2021, the law requires all councils to hold formal meetings in person. The Council will enable all people to continue to participate in meetings via Teams.

If you want to ask a question or speak, email your full name to [Committee@middevon.gov.uk](mailto:Committee@middevon.gov.uk) by no later than 4pm on the day before the meeting. This will ensure that your name is on the list to speak and will help us ensure that you are not missed. Notification in this way will ensure the meeting runs as smoothly as possible.

Residents, electors or business rate payers of the District may make a statement or shall be entitled to ask questions at a meeting which concerns the Council's powers / duties or which otherwise affects the District. If your question does not relate to an agenda item, the question must be submitted to the Democratic Services Manager two working days before the meeting to give time for a response to be prepared.

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If you would like a copy of the Agenda in another format (for example in large print) please contact Angie Howell on: [ahowell@middevon.gov.uk](mailto:ahowell@middevon.gov.uk)

Public Wi-Fi is available in all meeting rooms.

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## MID DEVON DISTRICT COUNCIL

**MINUTES** of a **MEETING** of the **COMMUNITY POLICY DEVELOPMENT GROUP** held on 22 August 2023 at 2.15 pm

### **Present**

#### **Councillors**

B Holdman (Chairman)  
D Broom, G Cochran, C Connor (Vice Chairman), A Cuddy,  
R Gilmour, H Tuffin, C Harrower and S Robinson

### **Apologies**

#### **Councillors**

A Glover

### **Also Present**

#### **Councillors**

J Lock, J Cairney and D Wulff

### **Present**

#### **Officers:**

Maria De Leiburne (District Solicitor and Monitoring Officer), Lisa Lewis (Corporate Manager for Business Transformation and Customer Engagement), Paul Deal (Corporate Manager for Finance, Property and Climate Change), Dean Emery (Corporate Manager for Revenues, Benefits and Recovery), Dr Stephen Carr (Corporate Performance & Improvement Manager), Jason Ball (Climate and Sustainability Specialist), Lynsey Chilcott (Customer Services Manager), Sarah Lees (Member Services Officer) and David Parker (Member Services & Policy Research Officer)

## 12 **APOLOGIES AND SUBSTITUTE MEMBERS (0.03.47)**

Apologies were received from Cllr A. Glover, Cllr R. Gilmour attended in her place.

Cllrs. E. Buczkowski, J. Buczkowski, L. Knight attended via Teams.

## 13 **PUBLIC QUESTION TIME (0.04.11)**

Mr Martin Freeman read the following statement in connection with Item 7 – Customer Service front desk and regarding opening hours for the MDDC Officers.

Mr Freeman ran a Building design business and quite often for most projects needed to make contact with the Council. He wanted to persuade the Council to open the offices for the whole of working week. He was glad with the new regime and perhaps breath of fresh air to have this opportunity to bring this to their attention. With regard to the Council access from a planning point, he made reference to the history of the relationship between the Council and the general public:

25 years ago there was no restriction, within reason, to access to the offices. During Covid part-time opening began. The Council has slowly but surely been divorcing itself from the public. He hoped the Councillors would see that the contact the general public has, has gone from what he would expect to a part time access arrangement. Since offices had been closed in Cullompton and Crediton, this HQ was the only access the people of Mid Devon have to the Council. The importance of the MDDC HQ - It was a one stop place for the public to get help with services and information from a friendly face for the benefit of the people of Mid Devon as whole for the whole working week. The offices were part of the prestige of the town.

Due to working remotely, the work flow for creative and constructive Ideas wouldn't be happening and not very efficiently (he knew this from his own experience). He mentioned it made it more difficult for the general public to access services, help and information (that the Council had to provide for legal reasons). He said one couldn't have a public service without seeing the public. Mr Freeman queried what was the knock on effect? Some bright spark might come up with the idea the offices may be used as a mini market or eight to late shop!

Mr Freeman brought his statement to a close by saying: As he laid out, the opening hours need to be reinstated for the benefit of all the inhabitants of Mid Devon.

#### 14 **DECLARATIONS OF INTEREST UNDER THE CODE OF CONDUCT (0.10.57)**

Members were reminded of the need to make declarations where appropriate.

#### 15 **MINUTES OF THE PREVIOUS MEETING (0.11.08)**

The Minutes of the Meeting held on 27 June 2023 were approved as a correct record and **SIGNED** by the Chairman.

#### 16 **CHAIRMAN'S ANNOUNCEMENTS (0.12.11)**

The Chairman requested that members continue to come up with ideas for the work plan so that the committee could be as fruitful as possible.

#### 17 **VULNERABILITY STATEMENT (0.13.07)**

Lisa Lewis (Corporate Manager for Digital Transformation and Customer Engagement) brought the statement\* to the committee at the request of the PDG to help them better understand how the Council deal with customers with vulnerabilities. The report made reference to other policies which detailed how service/practice was amended in light of vulnerability. Appendix 1 gave a list of possible vulnerabilities.

The Corporate Recovery Policy and the Mid Devon Housing Vulnerability Policy detail amendments to council practice in light of some vulnerabilities. The Customer Care Charter and the Council Safeguarding Policy are due for review Autumn 2023 and amended as appropriate with further information around vulnerability.

The report was welcomed and noted the Care Leavers Council Tax Exemption Scheme. It was suggested that the Council should look at its relationship with other groups on the list such as CAB, CHAT, and those helping Refugee schemes and how MDDC could help them.

It was **AGREED** to add "The Council's relationship with other Agencies" to the Work programme.

It was commented that those with learning disabilities and those with what might be called learning difficulties do not want to see themselves included in the same group and so could separate groups be made. It was also suggested that Asylum Seekers and Refugees also be added to the list and that "Late term pregnancy" be changed to "Pregnancy". It was also suggested that at the end of the list there should be a statement that this was not an exhaustive list. The Committee **NOTED** the Vulnerability Statement.

Note: \*report previously circulated and attached to the minutes

## 18 CUSTOMER SERVICE FRONT DESK (0.24.17)

The Corporate Manager for Digital Transformation and Customer Engagement brought the Customer Service Front Desk Report\* to the Committee.

The Corporate Manager for Digital Transformation and Customer Engagement highlighted the following:

- Phoenix House opening times to the public and that customers can contact by telephone to arrange a face to face appointment at an alternative time if required.
- The telephone contact centre is available Mon-Thu 08:30-17:00 and 08:30-16:40 Friday. That the Council Offices were open and Officers were available via the telephone and on-line between 9.00am and 5.00pm Monday to Friday.
- Before the Covid Pandemic the footfall was reducing exponentially every year and that access to the officers via telephone and on-line was generally preferred by customers, she pointed out that the available face to face appointments were not being filled. At no time did the Council want to reduce the level of service to the customer but resource was channelled as dictated by customer behaviour.

The following was discussed:

- That members of the public don't pre-plan their conversations with the Council and that Councillors' anecdotal experience was that members of the public do want face to face meetings with officers of the Council.
- A councillor had witnessed three people trying to access the Council building including a young lady who had been sent to the Council Offices having just been evicted.
- If the reduced hours for physical access to the building had to stay in place could the closed day be moved to a Friday as it was clear that there were more Council Officers in the building on a Wednesday, the day the building was closed, and less on a Friday when many Council Officers worked from home.
- Could Staff manning the front desk be able to deal with any on-line queries from that position so that when there was no-one to deal with, their time could be utilised. The Corporate Manager for Digital Transformation and Customer Engagement commented that it wasn't possible to access some of the work from the front desk but that that issue was being looked at.
- When the offices were closed that there be an intercom facility at the front door for members of the public to speak with an officer and where necessary an officer could arrange for someone to open the door for that customer.
- That if the face to face appointment cost as little as the report stated it did at paragraph 3.4 then members of staff should have their pay increased.
- That whilst looking at Customer Engagement the issue of staff safety and security should be considered as there was no available "panic button" and no direct-line to the police – at the moment a member of the customer services team had to call the police.
- The Corporate Manager for Income, Revenues Benefits, Recovery and Leisure commented that his team had run some very large claim schemes paying our very

large amounts in total to those in need and that all of the schemes have been administered on-line and by phoning and writing to customers using a flexible policy to accommodate members of the public. They were now administering the “Housing Support 4 Fund” and again it was all on-line and was evidence that the Council’s customers were very able to access the services by phone and on-line.

- How customers were looked after when they entered the building – were they offered a glass of water for instance. The Corporate Manager for Digital Transformation and Customer Engagement replied that most customers were seen by appointment and that they were seen within 15 minutes and so that was not necessary.

Regarding the Mid Devon Community Survey, it was asked why 644 people abandoned the survey before they had finished. The Corporate Manager for Digital Transformation and Customer Engagement replied that the survey was possibly too long and lessons had been learnt for the future. The survey was about the various methods members of the public used to access council services and there was a lot of repetition so it was necessary for the exercise. In future surveys would be shorter taking just a few minutes to complete. It was suggested that there could be an option at the end for those wanting to continue with a longer survey.

The Chairman said that he was minded to set up a working group to consider how the opening hours were affecting vulnerable customers. The Councillors who agreed to sit on the working group were: Cllr B Holdman, Cllr G Cochran, Cllr A Glover and Cllr C Harrower.

The Committee **NOTED** the Customer Services Briefing Report.

The Committee **NOTED** the Customer Services Briefing Report.

Note: \*report previously circulated and attached to the minutes

Note: The Chairman would like the working group to meet on Friday 15<sup>th</sup> September 2023.

## 19 **REGULATION OF INVESTIGATORY POWERS ACT (0.53.28)**

The District Solicitor and Monitoring Officer gave a verbal report that within the last year no applications had been made under this legislation.

## 20 **FINANCE AND PERFORMANCE UPDATE AND TRAINING\* (0.54.14)**

The Corporate Manager for Finance, Property and Climate Change and the Corporate Manager for Performance and Improvement gave a verbal update and some further training designed to provide greater clarity on the financial responsibilities falling within the remit of the Community Policy Development Group.

Revenue is the Day to Day income and spend and Capital is any expenditure on anything that would last more than one year.

The Pressures on the Community PDG could be summarised as:

- Community Grants, and whether these continued to be awarded.
- Customer Services – CRM project – maximise benefits, channel shift
- Public Health – minimum regulatory requirements +
- Public Health – additional requirements from Govt – Homes for Ukraine
- Planning – the possibility of a recession
- Planning – enforcement
- Planning – appeals



- Leisure – inflation pressure in pay exceeding fee income increases
- Leisure – Swimming pools were loss making
- Leisure centre market position, should the leisure centres aim for high end or low end.

The Mid Term Financial Plan is a 5 year plan on a rolling basis which was refreshed annually. The Corporate Manager for Performance and Improvement had been developing these dashboards for six months and this would be the format how finances would be reported going forward.

It was asked if in future the previous quarter's figures could be shown. In reply The Corporate Manager for Finance, Property and Climate Change said that the figures were set against the outturn at the end of the year.

It was understood that the statutory spend as against the discretionary spend was about 70/30 and so it was asked if columns could be provided to show the statutory spend and the discretionary spend so as to concentrate minds on what could be changed and the Corporate Manager for Finance, Property and Climate Change said that he thought that would be a good idea.

Note \*Presentation subsequently circulated to members of the PDG

## 21 **WORK PROGRAMME FOR 2023/2024 (1.25.30)**

The Group had before it, and **NOTED**, the \*Community Policy Development Group Work Plan for 2022-2023. An update from the Customer Services Front Desk working group would be added to the meeting on 24<sup>th</sup> October 2023. The Leisure Policy and Pricing strategy would also be looked at the meeting on 24<sup>th</sup> October 2023.

Note: \*Work Plan previously circulated and attached to the minutes

## 22 **CLIMATE EMERGENCY (1.28.04)**

The Climate and Sustainability Specialist briefed the Policy Development Group as follows:

The Net Zero Advisory Group was to have its first meeting of the new administration on 22 August 2023. There were various subjects that crossed between Policy Development Groups (PDG's) but some of the areas that may be covered by the Community PDG were:

- Energy use at home
- Travel and Transport
- Food and Health
- Lifestyles

The Climate and Sustainability Specialist mentioned the transformation at the Leisure Centres – the Council will use less gas but more electricity but that electricity would be sustainable and would be supplemented by the solar PV being placed on the Leisure Centres.

The Carbon footprint of the Council has gone up over 2022/23 which was disappointing news. We can make a difference by careful selection of our contractors and selecting them bearing in mind their own carbon usage.

There was confusion over Carbon Action Planning – costs were huge and how they were funded matters – any project needed to be feasible and affordable. All possibilities needed to

be looked at so that Councillors could make decisions on an informed basis. Comments were made relating to the Cost –v- Prioritisation argument and the horror of some constituents of the reported spend of £117m on carbon action planning.

The Climate and Sustainability Officer commented that he totally understood that the Council should be careful of what or how information was presented to the public and that the figure mentioned included spending tens of years into the future. It was agreed that communication was key.

(The meeting ended at 3.54 pm)

**CHAIRMAN**



**Report for: Community Policy Development Group**

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Date of Meeting:	24 October 2023
Subject:	Medium Term Financial Plan – General Fund (GF)
Cabinet Member:	James Buczkowski – Cabinet Member for Finance
Responsible Officer:	Andrew Jarrett – Deputy Chief Executive (S151)
Exempt:	N/a
Wards Affected:	All
Enclosures:	Appendix 1 – General Fund MTFP Summary Position Appendix 2 – General Fund Savings Options

**Section 1 – Summary and Recommendation(s)**

To present to Member's the updated Medium Term Financial Plan (MTFP) which covers the period 2024/25 to 2028/29 for the General Fund (GF) and consider initial savings options.

**Recommendation(s):**

**That the Policy Development Group Members:**

- 1. Note the updated MTFP's for the General Fund covering the years 2024/25 to 2028/29**
- 2. Consider the options included within the Appendix 2 and recommend to Cabinet the way forwards, noting that if the committee doesn't support any options, alternative suggestions should be made.**

**Section 2 – Report**

**1.0 Introduction and purpose of the Medium Term Financial Plan (MTFP)**

- 1.1 This report summarises the report to Cabinet on 19 September outlining the MTFP position for the General Fund (GF). Members are encouraged to read**

that Cabinet report in full to provide greater understanding of the overarching financial position.

- 1.2 The main purpose of the MTFP is to show how the Council will strategically manage its finances in order to support the delivery of the priorities detailed in the Corporate Plan 2020 – 2024 and future years beyond that plan. This will importantly need to take account of the new council administration in their emerging corporate plan ambitions.
- 1.3 The MTFP has been a key corporate requirement for a number of years and is an essential part of the budget setting process. It provides a financial model which forecasts the cost of providing Council services over a future rolling five year period, together with an estimate of the financial resources that will be available.
- 1.4 The MTFP helps strategically plan the budget setting process, but of equal importance, gives Management and Members an overview of future budget gaps so strategic decisions can be made over levels of future spending, Council Tax levels, policies for fees and charges, asset investment or disposal, etc.

## **2.0 Framework for the Medium Term Financial Plan**

- 2.1 The starting base for an MTFP is the 2023/24 approved budget, which is then adjusted for any supplementary estimates approved by the Council or any significant budget variances identified in the budget monitoring report to the Cabinet.
- 2.2 This base then has to be adjusted for unavoidable costs, such as, pay increases, inflation, service pressures associated with new legislation, a growing residential or business property base or improving performance, etc. The MTFP will also consider forecasts for investment receipts and income from fees and charges.
- 2.3 Finally the MTFP considers and makes assumptions regarding future levels of funding, in particular Council Tax including the potential growth in tax base, Business Rates again including any movement in the baseline as well as changes in the reliefs, multipliers and overall retention levels. Forecasts are also made for the likely level of future Central Government funding.
- 2.4 Note however, at this time, the financing requirement included reflects the 2023/24 Capital MTFP as it is currently being refreshed. The update will be brought back to Cabinet later in the budget cycle. Furthermore, the MTFP should be recognised as a high level estimate of the financial position – it is not a projected based upon a line-by-line review of costs / income.

- 2.5 The MTFP models an overall aggregated position for the GF based on a range of assumptions. This then predicts an overall budget position, which can highlight a potential budget gap and then propose remedial action which can be taken to resolve it. Clearly, these assumptions can be challenged or changed. They will vary due to changes in the local, national and international economic position and of course, the ongoing consequences of the Cost Of Living Crisis will have implications, not only for the current year, but also for the years to come.
- 2.6 The development of a five year financial model is based on a number of assumptions and perceived risks. These become more difficult to predict the further into the future you consider. In general terms a prudent/reasonable approach has been taken regarding forecasts, professional accounting guidance has been followed and external technical opinion has been sought where necessary.

### **3.0 Background to the Medium Term Financial Plan**

- 3.1 Given this is a new administration, Members should be aware that this MTFP has been developed against a backdrop of:
- Austerity – an aggregate cut in Central Government Grant of c£5m during the austerity measures put in place since 2010/11 and been replaced with lower levels of more volatile funding sources e.g. New Homes Bonus, Business Rates and numerous one-off grants. In addition certain funding streams have also been capped, such as Council Tax;
  - Covid-19 – service income through fees and charges in some areas is only just recovering to pre-covid-19 levels, i.e. Leisure and Car Parking;
  - The invasion of Ukraine significantly impacted the availability and therefore price of energy and fuel, leading to A Cost of Living Crisis not seen since the early 1980's. It has required the reallocation of Council resources into supporting the Government with their Energy Rebate and Homes for Ukraine schemes and is impacting budgets through high pay and price inflation;
  - Locally, resources previously realigned to manage the Government's response to the Pandemic and Cost of Living Crisis are again only just returning to their substantive roles;
  - Nationally, the cost of the Pandemic and Cost of Living Crisis has been significant, with the government's gross debt being £2.537bn (100.5% of

GDP) with the net borrowing £24.4bn<sup>1</sup>. This indicates that austerity measures are likely to continue;

- Political change at a national level leading to uncertainty and emergency policy decisions being taken that have unsettled the financial markets. Interest rates have soared to combat the high inflation as is now expected to reduce at a slower rate.

Yet the Council continues to deliver a wide range of well performing services.

#### **4.0 Summary of the Medium Term Financial Plan**

- 4.1 There is significant pressure on the GF arising from the decisions taken to balance the 2023/24 budget, namely the £400k staffing vacancy target and the £625k draw from reserves. The assumption is that these are not rolled forward into 2024/25. However, despite this in-year £1,025k challenge, the Qtr. 1 forecast indicated an over spend of £527k on the General Fund, indicating that £498k has been offset, albeit not all through ongoing savings measures. Any overspend position will negatively affect reserve balances, which reduce the option to smooth this budget deficit over time.
- 4.2 There are also a range of other pressures falling on the budget, including, but not restricted to, the following:
- The Cost of Living Crisis with high inflation affecting pay and material prices for all services. The 2024/25 assumed pay award is an increase of 4% - adding a pressure of circa £700k to the GF budget.
  - Many services are experiencing high staff turnover and sickness levels requiring additional temporary staff being employed to keep key services such as waste collection operational. To mitigate this pressure and deliver the £400k staffing vacancy target within the GF, a soft recruitment freeze has been implemented. Where a role is required to maintain key service provision, for example a lifeguard or waste operative, these positions will be filled. However, where other posts become vacant, recruiting is being delayed / postponed to free up budget. Inevitably, this does impact on the quality and speed of service delivery, and this is mitigated as far as possible.
  - The significant increases in energy charges have also had an impact on the Council's finances. The Cabinet recently agreed to extend the current provider (Laser) and increase the proportion of Electricity purchased from 100% renewable sources. It is currently too early to receive the new energy prices due to cover the year beginning 1 October 2023, therefore the

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<sup>1</sup> [UK government debt and deficit - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk)

forecast remains as previously projected, although the energy cap has reduced since that forecast, potentially leading to a saving for the Council from the assumed circa £400k GF pressure. Furthermore, over time with the use of more electric vehicles, there will be a move away from fossil fuel to electricity.

- There are also regulatory requirements to fulfil such as Fire Safety, decarbonisation and increased the use of renewable energy.

4.3 In summary, the forecast GF shortfall for 2024/25 can be attributed to the removal of the one-off targets included within the 2023/24 budget, plus the assumed inflationary uplift driven by the Cost of Living Crisis. The sum of these pressures has added c.£2.1m to our cost base. The longer term shortfall (rising to £5.2m) is largely due to inflation and the assumptions around reduced government funding.

4.4 This is clearly a challenge built upon a number of assumptions, caveats, decisions based upon external advice and the most up to date information available at this time. Clearly, any major variations in these assumptions would require a fundamental review of the MTFPs and would be reported back to Cabinet and the wider Membership as soon as practical, coupled with proposed courses of action that could be implemented.

4.5 The Council has a legal requirement to set a balance budget and needs to ensure its overall costs are affordable i.e. they can be funded through income and planned short-term use of reserves. Members therefore need to take the necessary decisions and actions to manage net spending within affordable limits.

## **5.0 Approach to closing the Budget Gap**

5.1 In order to reduce the forecast deficit the Council will strive to constantly manage its costs and revenues by:

- Ensure fees/charges are revisited regularly and that the Council are charging appropriately for all items possible;
- A continued reduction of service and employee costs – which may incur short term upfront costs;
- Continue and expand partnership working where practical;
- Investigation of a number of spend to save projects;
- Review the current and future property asset requirements;
- Maximise procurement efficiencies;
- Explore new commercial opportunities;
- Examine different ways of delivering services to reduce costs;
- Continued benchmarking and learning from best practice;

- Consideration of growing the residential and commercial property base to align delivery with Government funding priorities.
- 5.2 The above plans will require all service areas to play an active role in securing future savings and the Council will also continue to consult with all of its major stakeholders, especially the tax payers and tenants, to ensure all future budgetary decisions accord with their priorities.
- 5.3 During the summer, services have been reviewing a range of budget options that could be considered in order to help mitigate the 2024/25 budget shortfall. Those relevant to this Policy Development Group (PDG) are included within **Appendix 2**. The views of this PDG on where any possible budget savings could be found to resolve the immediate budget gap for 2024/25 and future years will form the basis of the discussions with a view to the PDG making recommendations to Cabinet.
- 5.4 Members will appreciate that all budget options will require political support and therefore if some suggestions are deemed to be unacceptable then other savings will need to be proposed. Members should indicate where these alternatives should be sought.

## **6.0 Balances and Reserves**

- 6.1 The Council should look to match on-going spending plans to available in-year resources. It currently holds an uncommitted General Fund Reserve with a balance of £2,025k, which is above the current balance of £2m set by Full Council. However, this will be impacted by the outturn position of 2023/24 and the degree to which the £1,025k in-year target cannot be mitigated, which is projected to reduce to £527k. This will only leave £1,498k in the reserve and will need to be replenished over the lifetime of this MTFP.
- 6.2 The Council holds these reserves for a number of reasons. Firstly to deal with any short term cash flow or funding issues. Secondly to provide a contingency for exceptional one-off acts (i.e. flooding, fire, terrorism, business rate failure, etc.) and, thirdly to provide a buffer for known circumstances whose final affect is unknown (i.e. changes in legislation or major funding changes). Clearly, the more uncertainty that exists, the higher the balance required to mitigate this risk. This level of minimum reserves is assessed annually to ensure it is adequate.
- 6.3 As stated above, this plan does not include any utilisation of these reserves. However, with the scale of the deficit, it is conceivable that some utilisation could be necessary. If so, this should be on the basis that the reserve is replenished by the end of the MTFP period.



6.4 The Council also holds GF Earmarked Reserves of circa £20m, which have been set aside for a specific purpose, such as sinking funds for asset replacement. Although these reserves are ring-fenced and should not to support ongoing expenditure within the budget, a review of all Earmarked Reserves is undertaken annually and any identification of funding no longer required to be earmarked can be released and could be used to support the budget. As these funds are one-off, they only delay the requirement for the identification and implementation of a sustainable saving.

## **7.0 Conclusion**

7.1 The MTFP will continue to be updated to ensure it is a live document. It is subject to amendment and review by Leadership Team and Members and will provide a clear guide prior to commencing the annual budget setting process in future years.

7.2 Like all councils, Mid Devon is facing an ongoing and very challenging financial future. Having a realistic financial plan for the next five years will enable the Council to ensure it is allocating its limited financial resources to its key priorities. Moving forward Members will be provided with regular updates on the financial impact of any variation to what has been previously assumed.

7.3 It should also be noted that the PDGs will continue to play a pro-active role in both reducing ongoing service costs and exploring new possibilities to raise additional income. Options will be brought forward for consideration over the next few months in the run in to setting the 2024/25 budget in February 2024.

## **Financial Implications**

By undertaking an annual review of the MTFP the Council can ensure that its Corporate Plan priorities are affordable. The implications of the revised budget gap are set out within the paper. Many areas require greater clarity, particularly around national funding and the possibility of additional funding to offset the implications of the Cost of Living Crisis. Therefore a number of key assumptions underpin the reported position, which will be refined as greater clarity is received through the budget setting process.

## **Legal Implications**

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

## **Risk Assessment**

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

## **Impact on Climate Change**

The allocation of resources will impact upon the Council's ability to implement/fund new activities linked to climate change, as the MTFP sets the broad budgetary framework for the Council over the coming years. However, some provision has already been included in the base budget and further evaluation/consideration will be made as the draft budget passes through the PDGs over the next few months. Significant investment is currently forecast within the Capital Programme, however this will be dependent upon full options appraisals and levels of Grant funding available.

## **Equalities Impact Assessment**

No implications arising from this report.

## **Relationship to Corporate Plan**

The Medium Term Financial Plan (MTFP) sets out the financial resources available to deliver the Council's ongoing Corporate Plan priorities.

### **Section 3 – Statutory Officer sign-off/mandatory checks**

**Statutory Officer:** Andrew Jarrett

Agreed by or on behalf of the Section 151

**Date:** 18 September 2023

**Statutory Officer:** Maria De Leiburne

Agreed on behalf of the Monitoring Officer

**Date:** 18 September 2023

**Chief Officer:** Stephen Walford

Agreed by or on behalf of the Chief Executive/Corporate Director

**Date:** 18 September 2023

**Performance and risk:** Dr Steve Carr

Agreed on behalf of the Corporate Performance & Improvement Manager

**Date:** 18 September 2023

**Cabinet member notified:** Yes

### **Section 4 - Contact Details and Background Papers**

**Contact:** Andrew Jarrett – Deputy Chief Executive (S151)

Email: [ajarrett@middevon.gov.uk](mailto:ajarrett@middevon.gov.uk)

Telephone: 01884 234242

**Contact:** Paul Deal – Corporate Manager for Finance, Property and Climate Change

Email: [pdeal@middevon.gov.uk](mailto:pdeal@middevon.gov.uk)

Telephone: 01884 234254

#### **Background papers:**

- 2024/25 Medium Term Financial Plan report to Cabinet 19 September 2023

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## Appendix 1 – General Fund Medium Term Financial Plan

The Table below gives an overall summary of the Council's General Fund MTFP position (which includes a wide range of assumptions).

### MTFP General Fund Summary

2023/24 £'000		Notes	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000
<b>16,845</b>	<b>Net Direct Cost of Services</b>		<b>17,035</b>	<b>17,468</b>	<b>18,210</b>	<b>19,036</b>	<b>19,752</b>
(1,884)	Net recharge to HRA		(1,948)	(2,006)	(2,067)	(2,129)	(2,193)
703	Provision for Repayment of Borrowing	1	898	970	1,066	1,063	1,101
<b>15,665</b>	<b>Net Service Costs</b>		<b>15,986</b>	<b>16,432</b>	<b>17,210</b>	<b>17,969</b>	<b>18,659</b>
(1,032)	Net Interest Costs/(Receipts)	2	(1,030)	(1,000)	(900)	(900)	(900)
180	Finance Lease Interest Payable		200	126	116	106	99
(1,582)	Net Transfers to/(from) Earmarked Reserves	3	(59)	188	288	214	314
(625)	Net Transfers to/(from) General Reserves		0	0	0	0	0
<b>12,606</b>	<b>Total Budget Requirement</b>		<b>15,097</b>	<b>15,747</b>	<b>16,715</b>	<b>17,389</b>	<b>18,172</b>
	<b>Funded By:</b>						
(4,319)	Retained Business Rates	4	(4,449)	(4,138)	(4,218)	(4,301)	(4,385)
(98)	Revenue Support Grant		(98)	0	0	0	0
(547)	Rural Services Delivery Grant		(547)	(547)	(547)	(547)	(547)
(320)	New Homes Bonus	5	(320)	0	0	0	0
(90)	2022/23 Services Grant	5	(90)	0	0	0	0
(485)	2023/24 Funding Guarantee		(485)	0	0	0	0
(6,749)	Council Tax–MDDC	6	(7,007)	(7,330)	(7,560)	(7,795)	(8,037)
<b>(12,606)</b>	<b>Total Funding</b>		<b>(12,994)</b>	<b>(12,013)</b>	<b>(12,323)</b>	<b>(12,641)</b>	<b>(12,967)</b>
<b>0</b>	<b>Annual Gap – Increase/(Decrease) In-year</b>		<b>2,103</b>	<b>1,631</b>	<b>658</b>	<b>357</b>	<b>457</b>
<b>0</b>	<b>Cumulative Gap</b>		<b>2,103</b>	<b>3,733</b>	<b>4,392</b>	<b>4,749</b>	<b>5,206</b>

### Notes:

1. The Provision for repayment of borrowing incorporates the financial implications of the current Capital Programme.
2. The reduction in Net Interest Costs / (Receipts) reflects the removal of the possible interest earned from 3 Rivers Developments Ltd and is replaced by an assumption on interest earned through treasury investments. Assumption on interest rates to be reviewed.
3. Net Transfers to / (from) Earmarked Reserves reflects planned contributions to, or drawdowns from reserves. This is likely to change significantly during this budget process.
4. The Retained Business Rates increase is assumed to be 3% in 2024/25 and a 2% increase is assumed in future years. However income drops in 2025/26 to reflect the potential changes the Government might implement to the Business Rates Retention Scheme. These include Re-Baselining and Resource Equalisation. No use of the Smoothing Reserve has been factored in (currently £720k but dependent upon annual collection surplus/deficit).

5. The current assumption is for a cash freeze in grants for 2024/25. However in 2025/26, it is assumed that the long awaited implications for grant funding arising from the Fair Funding Review are implemented, i.e. those announced as one off / ceasing will have stopped. However, there is an expectation that these are replaced, at least in part, but forecasting that is impossible. Therefore it is hoped that this is the prudent / worst case forecast.
6. Council Tax income is forecast assuming Band D charge increases in line with referendum limits in 2024/25 and assumed referendum limits in future years, and an increase in the taxbase in line with the local plan requirements (c350 properties per annum) and a return to normal (98%) collection rate over the life of the MTFP.

Cabinet / PDG	Service	Budget Holder	Cost Centre	BRIEF Saving Description (including risks of delivery)	Low Risk	Medium Risk	High Risk
					(£k)	(£k)	(£k)
Community	Public Health	Simon Newcombe	PH600	<p>Remove Pest Control contract – The use of the service has been declining year on year, and budget had been reduced to £1000. This only covers those on qualifying benefits in the private sector for the treatment of rats and mice. All other forms of pest are not covered and signposted to the preferred contractor. The current contract with Pestokill has been extended to June 2024 but it is proposed that we do not renew this contract going forward.</p> <p>Implications:</p> <ul style="list-style-type: none"> <li>Low-income households have to pay for rats and mice infestations previously provided FOC</li> <li>Increase in more complex pest control cases requiring EH regulatory intervention due to failure of householders to take early treatments at cost (low risk)</li> <li>Mitigation: availability of healthy homes grants and regulatory tools to deal with major infestations means that the risk of not providing the service is lower.</li> </ul> <p>Risks:</p> <ul style="list-style-type: none"> <li>Equality Impact Assessment would show disproportionate impact on vulnerable, low-income residents although take up of the service has reduced significantly over the years / Will require a policy decision via CPDG and Cabinet</li> <li>Increased public health impacts but potentially mitigated by the introduction of the Healthy Homes Grant</li> <li>Reputational damage / less community resilience</li> </ul>	£ 1,000		
Community	Public Health	Simon Newcombe	PH250	<p>No longer provide GF budget for community safety partnership activity in Mid Devon but maintain contribution to DHR (domestic homicide reviews) as this is mandatory. Changes in funding for CSP work have already been introduced via adoption of a direct commissioning approach by PCC. Limited separate CSP new burdens funding is currently in place for new Serious Violence Duty responsibilities therefore the remaining residual budget is too limited to be utilised effectively.</p> <p>Implications:</p> <ul style="list-style-type: none"> <li>With reduced external funding there will be less funding available for specific projects locally, but there continues to be specific funding from the OPPC for targeted action on Devon wide priorities.</li> <li>Use of this funding has been adhoc over the years resulting in an EMR for underspend which would indicate that this funding is no longer required.</li> </ul> <p>There is a duty to undertake DHRs so part of the budget is being withheld to cover the contribution to DCC to coordinate these reviews (accounted for in projected).</p> <p>Risks:</p> <ul style="list-style-type: none"> <li>Unable to contribute to any specific projects on community safety locally but these have been reduced over the years due to local capacity and changing need, PCC commissioning approach where the CSP support direct Community Grant bids by VCSE providers and more strategic working across partners</li> </ul>	£ 3,870		
Community	Public Health	Simon Newcombe	PH660	<p>Remove continuous air quality monitors (AQ Mesh). The current AQ mesh pods (x4) in place under statutory LAQM requirements but have reached the end of their life and need to be replaced. The cost per new pod is approx. £7280 as detailed below, with an annual cost of £2680 (not including any repairs or officer time to check the install). To replace all 4 would be £29,120 to come out of 23/24. The ongoing cost for 4 would be £10720. £10,000 could be a saving if we did not replace the pods. alternatively there would be a smaller saving if some pods remained.</p> <p>Spec from Ricardo</p> <ul style="list-style-type: none"> <li>SCS Cube spec to measure PM10, PM2.5 and NO2 is £3,000/unit (with 2-year manufacturer warranty)</li> <li>Extended warranty to cover years 3 and 4 and maintenance service during the start of year 3 is £850/unit</li> <li>Data sim is £180/unit/year, if paid for in advance</li> <li>QA/QC and data correction to near reference, monthly update reports, and website £2,500/year</li> <li>Installation £750. Assuming done in a day (2-sensors)</li> <li>Note the Cube units are mains powered and so need commando sockets for lamp column installation 13 amp rated feed via a standard commando socket rated at IP68 (waterproof!)</li> </ul> <p>Implications:</p> <p>The pods monitor PM10 and PM2.5 therefore we would no longer be able to measure these pollutants. These would continue to be desk-assessed under LAQM.TG22 guidance but district would not have capability to directly monitor including investigating any new potential exceedance areas, however previous x5 annual assessment reports have identified no new hotspots/risks.</p> <p>Risks:</p> <p>Reliance on reduced NOx tube monitoring only and minimum baseline compliance with statutory guidance under LAQM regime and AQ duties on Council</p> <p>Low - Medium Risk due to minimum statutory baseline compliance. This would generate the full saving of £11,500 via reduction in budget. Sufficient budget would be retained within relevant cost-centre for reduced NOx monitoring (see below) and calibration of noise monitors</p>	£ 11,500		

Cabinet / PDG	Service	Budget Holder	Cost Centre	BRIEF Saving Description (including risks of delivery)	Low Risk	Medium Risk	High Risk
					(£k)	(£k)	(£k)
Community	Public Health	Simon Newcombe	PH660	Reduce number of NOx tube monitoring sites from 20 to 10. There have been no exceedances and DEFRA are recommending that the AQMAs are no longer needed. This is an opportunity to review the monitoring sites and reduce the number Implications: There would be less coverage of the district for monitoring but it would be more tactically focussed on ongoing at risk, exceedance or adjacent proposed major development areas only Would need to be kept under review should significant changes to traffic flow arise in areas not covered and monitoring sites introduced as necessary - statutory requirement under LAQM (see below) and annual screening assessment reporting into Defra Risks: Less comprehensive set of data for DEFRA return - represents minimum monitoring requirements to satisfy Local Air Quality Management (LAQM) requirements under stat. guidance (LAQM TG22) Changes to air quality slower to be identified but trend position retained at remaining longer-term sites	£ 420		
Community	Public Health	Simon Newcombe	PH660	Stop provision of planning advice relating to all areas of public health. We have contracted to provide this expertise as we do not have the full specialist expertise or resources in house to provide this service. However this is not a statutory function. Implications This is not a statutory service and is only advisory. There would be no provision of comments on planning applications from Public Health once this contract has ended. Currently planning utilise Janet for advice and support more than Public Health and with the new air quality spd planning may wish to fund Janet directly to advise them on this area. Risks Public health comments are preventative and good practice to avoid future nuisance complaints. There is a risk that nuisance issues will increase. However public health has a duty to investigate regardless		£ 6,000	
Community	Public Health	Simon Newcombe	PH733	End the following subscriptions: EMAQ plus training - provides 6 detailed training courses per year on environmental protection including an exam for competency Implications: Access to the reduced rate in specialist training would be lost. However the current Team leader for community has undertaken most of the available competencies. This could be re-instated in future should it become necessary but there are other courses available. Risk Low risk but does mean that only one person in Public health has the competencies		£ 1,376	
Community	Public Health	Simon Newcombe	PH733	Public health RIAMs premium subscription - provides access to templates documents, community chats and forums for advice on all aspects of EH Implications The service would no longer be able to access the various templates and documents, the EH community for support and advice or the reduced rate training Risk A piece of work is needed to fully identify how much the service is used by the team. If it is rarely utilised then the risk is low however if the team, especially less experienced team members, rely on the service for day to day delivery of the statutory service then the risk is higher.		£ 3,850	
Community	Public Health	Simon Newcombe	PH733	ABC food law - provides bespoke training courses on specialist food safety matters including specific approved premises Implications The team currently rely on this tool for training, templates and guidance. However going forward it may be possible to stop this subscription once internal processes and officers are up to speed. At present as this is not the case it would be high risk to remove this. Risk The team need to be up to speed before this is no longer available. The current risk is that the FSA do not believe we can meet our statutory functions or comply with the FSA plan so it is important that we get on top of this before considering a reduction in our resources			£ 225



2024/25 Headline Savings options - Round 1

Appendix 2

Cabinet / PDG	Service	Budget Holder	Cost Centre	BRIEF Saving Description (including risks of delivery)	Low Risk	Medium Risk	High Risk
					(£k)	(£k)	(£k)
Community	Public Health	Simon Newcombe	PH354	Empty Homes Network - advice and access to webinars Implications Dealing with empty homes is not a statutory function the network provides advice and guidance on tools for empty homes officers and we do not have this resource at present Risk Risk is low as we do not need the membership and it can be re-instated in the future if required	£ 95		
Community	Community Grants	Adrian Welsh	CD200	There is an opportunity to review the wider Community Grants. These grants currently total £138k with currently seven beneficiaries. These are due for review. This will provide a political challenge as reductions to these organisations will be controversial. This review would need to form part of a corporate wide assessment. The current breakdown is as follows: Churches Housing Action Team (CHAT) £12,500 Citizens Advice £15,500 Involve – Voluntary Action in Mid Devon £12,000 Mid Devon Mobility £22,000 Grand Western Canal £45,000 Tiverton Museum of Mid Devon Life £27,500 Tourist Information Service £4,000 Total Grants £138,500  A saving target of £18,500 is proposed, with Community PDG to decide how to make this saving.		£ 18,500	
All	ALL	ALL	All Services	Potential savings could be made in certain areas linked to de-scoping or downsizing activity, should turnover allow for a natural wastage approach in these identified areas. Organisation-wide turnover should allow for a realisation of some of these savings over the coming months and years. However, they are categorised as amber/red to denote that these are not immediately realisable (amber) or would not be recommended due to the severe negative impact on service delivery (red). This aligns with the early steer from the administration around prioritising and protecting service delivery to customers alongside a desire to ensure no redundancies are required given the opportunities to manage workforce resource effectively through targeted vacancy and turnover management.	£ 40,680	£ 370,840	£ 363,806
All	ALL	ALL	All Services	Reduction in agency spend Implications: Will require services to scrutinise need and develop greater relationships with agency providers, negotiating where required Could result in services offering a lesser service at a lower rate should it be decided agency spend is not favourable			?
All	ALL	ALL	All Services	Reduction in cost of sickness Implications: Would require us to take a less risk adverse attitude to managing sickness which could result in claims Will require consistency across the whole organisation			?
All	ALL	ALL	All Services	Business Rates - possible reduction arising from appeals	?		
All	ALL	ALL	All Services	Energy costs - possible movement depending on new unit price. Need to reduce usage.	?		
All	ALL	ALL	All Services	Fuel Costs - Possible movement depending on how prices move	£ 30,000		
<b>TOTAL</b>					<b>£ 269,380</b>	<b>£ 535,566</b>	<b>£ 532,731</b>

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