

# Public Document Pack

Mid Devon District Council

## Environment Policy Development Group

Tuesday, 8 November 2016 at 2.00 pm  
Exe Room, Phoenix House, Tiverton

Next ordinary meeting  
Tuesday, 10 January 2017 at 2.00 pm

Those attending are advised that this meeting will be recorded

## Membership

Cllr R F Radford  
Cllr D R Coren  
Cllr Mrs C P Daw  
Cllr R Evans  
Cllr Mrs E J Slade  
Cllr J D Squire  
Cllr R Wright  
Cllr J L Smith  
Cllr F W Letch

## 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 Minutes of the Previous Meeting (Pages 5 - 8)

To approve as a correct record the minutes of the last meeting.

4 **Chairman's Announcements**

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

5 **Performance and Risk** *(Pages 9 - 18)*

To provide Members with an update on performance against the corporate plan and local service targets for 2016-17 as well as providing an update on the key business risks.

6 **Financial Monitoring** *(Pages 19 - 36)*

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

7 **Draft Budget** *(Pages 37 - 50)*

To consider options available in order for the Council to set a balanced budget for 2017/18 and agree a future strategy for further budget reductions for 2018/19 onwards.

8 **Waste and Recycling Scheme 6 monthly update** *(Pages 51 - 58)*

To receive an update on performance of the new recycling scheme during the first year of operation.

9 **Motion from Council**

To consider the following Motions referred by the Council to the Policy Development Group.

**Motion 528 (Councillor P J Heal - 10 August 2016)**

That the council investigates the provision of an elasticated net system for use on recycling boxes to prevent light materials such as plastics and cardboard being blown out and causing litter.

**Motion 529 (Councillor Mrs C A Collis - 17 August 2016)**

That the Council investigates joint working with other Councils to recycle soft plastics such as polythene and film and to avoid putting these non-biodegradable items into landfill. This will benefit the environment for future generations and expand on the recycling that Mid Devon is already doing so well.

## 10 Identification of Items for the Next Meeting

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

Street Cleansing Review  
Budget  
Gypsy and Traveller Policy

**Stephen Walford**  
Chief Executive  
Monday, 31 October 2016

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

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

An induction loop operates to enhance sound for anyone wearing a hearing aid or using a transmitter. If you require any further information, or

If you would like a copy of the Agenda in another format (for example in large print) please contact Julia Stuckey on:

Tel: 01884 234209

E-Mail: [jstuckey@middevon.gov.uk](mailto:jstuckey@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 **ENVIRONMENT POLICY DEVELOPMENT GROUP**  
held on 6 September 2016 at 2.00 pm

### **Present**

#### **Councillors**

R F Radford (Chairman)  
D R Coren, Mrs C P Daw, R Evans,  
F W Letch, Mrs E J Slade, R Wright and  
J L Smith

### **Apologies**

#### **Councillor(s)**

J D Squire

### **Also Present**

#### **Councillor(s)**

Mrs A R Berry, N V Davey and Mrs M E Squires

### **Also Present**

#### **Officer(s):**

Andrew Jarrett (Director of Finance, Assets and Resources), Stuart Noyce (Waste and Transport Manager), Joe Scully (Operations Manager), Catherine Yandle (Internal Audit Team Leader) and Sally Gabriel (Member Services Manager)

## 24 **APOLOGIES AND SUBSTITUTE MEMBERS**

An apology was received from Cllr J D Squire.

## 25 **PUBLIC QUESTION TIME (00-01-21)**

There were no members of the public present.

## 26 **MINUTES OF THE PREVIOUS MEETING (00-01-29)**

The minutes of the previous meeting were approved as a correct record and signed by the Chairman.

## 27 **CHAIRMAN'S ANNOUNCEMENTS (00-02-18)**

The Chairman congratulated the Director of Finance, Assets and Resources on his new role and on his recent cycle ride for charity.

## 28 **PERFORMANCE AND RISK (00-03-37)**

The Group 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 2016/17 as well as providing an update on the key business risks.

The Internal Audit Team Leader outlined the contents of the report highlighting the different appendices to the report and the fact that the majority of the performance indicators were above target.

Discussion took place regarding residual household waste and the amount of waste that was being recycled.

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

## 29 **FINANCIAL MONITORING (00-09-28)**

The Group had before it and **NOTED** a \*report of the Director of Finance, Assets and Resources presenting financial monitoring information for the income and expenditure of the 2016/17 financial year.

He outlined the contents of the report stating that the General Fund forecasted a deficit of £202k, it was however early days within the financial year. The most significant service movements to date comprised of funding the move to the new waste depot, an overspend on leisure and additional housing benefit subsidy.

Discussion took place regarding:

- The new waste depot which was a fit for purpose site and would allow possible expansion in the future.
- The proposed savings agreement with Devon County Council
- Income from car parks
- Waste vehicle maintenance costs

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

## 30 **WILD FLOWER BEDS (00-25-05)**

The Group had before it and **NOTED** a \*briefing paper produced by the Operations Manager providing an update on the options and proposals for wildflower displays within Mid Devon in the future.

He stated that in recent years many local authorities had examined the options to increase biodiversity within the public realm. A number of options had proved to be popular and now formed the basis of the routine program of work in areas that could lend themselves to the new methods.

The options available included:

- Wild flower meadow displays
- Natural grassland meadows
- Slow growing or sustainable planting

He explained the trial that had taken place in the Tiverton cemetery, however the trial had highlighted that the wild flower scheme required continued maintenance and therefore there may be other options with the use of slow growing or sustainable planting which could reduce maintenance costs and therefore save money. It was

his intention to develop a long term programme in consultation with District, Town and Parish Councils along with “Friends” Groups to move the project forward.

Discussion took place regarding:

- Possible locations for the various options
- Height implications on roundabouts
- Advertising for sponsorship

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

### 31 **VERBAL WASTE UPDATE (00-39-09)**

The Waste and Transport Manager informed the Group that the changes to the waste scheme had bedded in; the collection rates were better than expected; Members had received an informal briefing in the last few weeks and a full 6 monthly report would be provided at the next meeting.

Discussion took place regarding:

- Education and enforcement and how the service could continue to improve
- Possible improved performance
- Possible rescheduling of rounds
- Local issues and the need to report issues through the correct channels so that they could be monitored.

### 32 **LITTERING AND WASTE ISSUES IN THE DISTRICT (00-49-41)**

The issue of littering in various parts of the district had been raised by individual Members and therefore it was felt that the Group should discuss the matter and seek officers’ views as to what could be achieved to reduce the issue.

Discussion took place regarding:

- The responsibility of the owners of fast food outlets to encourage the disposal of litter
- The reduction in packaging
- Possible “flash hits” on particular areas of the district
- The issuing of Fixed Penalty Notices
- The Clean Neighbourhood powers
- Education, the role of Devon County Council, reaching young people possibly through social media and engaging with the press
- Community litter campaigns
- Dog fouling issues
- Planning regulations

The Waste and Transport Manager stated that a street cleaning review was taking place which would be completed by the end of the year and that a full report would be put before the group for consideration in the new year.

### 33 **VISIT TO ENERGY FROM WASTE PLANT (1-10-40)**

Following a recent visit to the Exeter Energy from Waste Plant, Members were invited to provide feedback on the visit.

The visit had been very well received and it was felt that other Members of the authority should be encouraged to attend as the work taking place at the plant complimented the work of the local authority.

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

The following items were raised for future meetings:

- Waste and Recycling 6 monthly update
- Gypsy and Traveller Policy
- Performance and Risk – Quarter 2
- An update on the Mills Project
- Traffic figures on the Crediton Link Road and the effect on air quality
- Garden Waste update
- 6 monthly car parking review to include the number of vends and footfall statistics
- Motions 528 and 529 from Council

(The meeting ended at 3.30 pm)

**CHAIRMAN**



**ENVIRONMENT PDG  
8 NOVEMBER 2016:**

**AGENDA ITEM:**

## **PERFORMANCE AND RISK REPORT FOR THE SECOND QUARTER OF 2016-17**

**Cabinet Member** Cllr Karl Busch  
**Responsible Officer** Director of Corporate Affairs and Business Transformation, Jill May

**Reason for Report:** To provide Members with an update on performance against the corporate plan and local service targets for 2016-17 as well as providing an update on the key business risks.

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

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

**Financial Implications:** None identified

**Legal Implications:** None

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

### **1.0 Introduction**

- 1.1 Appendix 1 provides Members with details of performance against the Corporate Plan and local service targets for the 2016-17 financial year.
- 1.2 Appendix 2 shows the section of the Corporate Risk Register which relates to the Environment Portfolio. See 3.0 below.
- 1.3 Appendix 3 shows the profile of all risks for the Environment for this quarter.
- 1.4 All appendices are produced from the corporate Service Performance and Risk management system (SPAR).

### **2.0 Performance**

- 2.1 The chargeable **garden waste** scheme remains above target; so far 8,533 bin permits have been sold, with 102 new customers in quarter 2.
- 2.2 Most of the PIs are above target with only 2 showing below target: **% of missed collections reported per quarter (recycling)**; this is only marginally under target. The figure is the same as quarter 1 and is an improvement on

2015/16; more detail has been added as a note on Appendix 1. **% of missed collections reported per quarter (refuse and organic waste)**; this is only marginally under target.

2.3 The **% of household waste reused, recycled and composted** continues to improve and has reached 56.2% which is a very good result.

2.4 When benchmarking information is available it is included.

### **3.0 Risk**

3.1 The Operational risk assessments are job specific and flow through to safe systems of work.

3.2 The Corporate risk register has been reviewed by Management Team (MT) and updated. Risk reports to committees include risks with a total score of 15 or more and all those with an impact score of 5. (See Appendix 2)

### **4.0 Conclusion and Recommendation**

4.1 That the PDG reviews the performance indicators and risks for 2016-17 that are outlined in this report and feeds back any areas of concern to the Cabinet.

**Contact for more Information:** Catherine Yandle, Internal Audit Team Leader ext. 4975

**Circulation of the Report:** Management Team and Cabinet Member

## Corporate Plan Quarterly PI Report Environment

Quarterly report for 2016-2017  
Arranged by Aims  
Filtered by Aim: Priorities Environment  
For MDDC - Services

### Key to Performance Status:

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

Corporate Plan Quarterly PI Report Environment										
Priorities: Environment										
Aims: Increase recycling and reduce the amount of waste										
Performance Indicators										
Title	Prev Year (Period)	Prev Year End	Annual Target	Q1 Act	Q2 Act	Q3 Act	Q4 Act	Actual to Date	Head of Service / Manager	Officer Notes
<u>Residual household waste per household (measured in Kilograms)</u>	225.63 (2/4)	424.08	421.00	95.36	185.36			185.36 (2/4)	Stuart Noyce	(Quarter 1 - 2) This figure is estimated as Devon County Council verify the information 1-2 months behind perf deadline. Recycling continues to rise so above target. (LD)
<u>% of Household Waste Reuse, Recycled and Composted</u>	52.2% (2/4)	50.6%	52.0%	55.9%	56.2%			56.2% (2/4)	Stuart Noyce	(Quarter 2) This figure is estimated. Devon County Council verify data 1-2 months after perf deadline. Performance is above annual target but is always

Corporate Plan Quarterly PI Report Environment											
Priorities: Environment											
Aims: Increase recycling and reduce the amount of waste											
Performance Indicators											
Title	Prev Year (Period)	Prev Year End	Annual Target	Q1 Act	Q2 Act	Q3 Act	Q4 Act	Actual to Date	Head of Service / Manager	Officer Notes	
										higher in first two 1/4s due to garden waste tonnage. (LD)	
<u>Net annual cost of waste service per household</u>		£60.88	£58.17	n/a	n/a	n/a		n/a	Andrew Jarrett, Stuart Noyce		
<u>Number of Households on Chargeable Garden Waste</u>	0 (2/4)	7,021	10,000	8,431	8,533			8,533 (2/4)	Stuart Noyce	(Quarter 2) Number of customers continues to increase and this figure does not include sack customers. Target based on £500k income target. (SN)	
<u>% of missed collections reported per Quarter (refuse and organic waste)</u>	0.02% (2/4)	0.02%	0.03%	0.03%	0.03%			0.03% (2/4)	Stuart Noyce	(Quarter 2) Non Rounded Actual 0.036%. A few issues with IT systems have led to no drivers notes. (LD)	
<u>% of Missed Collections logged per Quarter (recycling)</u>	0.08% (2/4)	0.12%	0.03%	0.04%	0.04%			0.04% (2/4)	Stuart Noyce	(Quarter 2) On target for this quarter. A few issues with IT systems have led to no drivers notes. (LD)	

**Aims: Reduce our carbon footprint**

## Corporate Plan Quarterly PI Report Environment

### Priorities: Environment

#### Aims: Reduce our carbon footprint

#### Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Q1 Act	Q2 Act	Q3 Act	Q4 Act	Actual to Date	Head of Service / Manager	Officer Notes
<u>To improve energy efficiency and continue to reduce consumption by 0.5% post degree day adjustment</u>		3.4%	0.5%	n/a	n/a	n/a		n/a	Andrew Busby	

#### Aims: Protect the natural environment

#### Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Q1 Act	Q2 Act	Q3 Act	Q4 Act	Actual to Date	Head of Service / Manager	Officer Notes
<u>Number of Fixed Penalty Notices (FPNs) Issued (Environment)</u>	8 (2/4)	21	No target - for information only.	2	3			3 (2/4)	Stuart Noyce	

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## Environment PDG Risk Management Report - Appendix 2

Report for 2016-2017

For Environment - Cllr Karl Busch Portfolio

Filtered by Flag:Include: \* CRR 5+ / 15+

For MDDC - Services

Not Including Risk Child Projects records or Mitigating Action records

Key to Performance Status:

Risks: No Data (0+) High (15+) Medium (5+) Low (1+)

### Environment PDG Risk Management Report - Appendix 2

**Risk: Asbestos** Health risks associated with Asbestos products such as lagging, ceiling/wall tiles, fire control.

Effects (Impact/Severity):

Causes (Likelihood):

Service: Street Scene Services

Current Status: Medium (5)	Current Risk Severity: 5 - Very High	Current Risk Likelihood: 1 - Very Low
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Head of Service: Stuart Noyce

Review Note: Risks largely restricted to trained/professional EH or PSH officers therefore overall status remains low

**Risk: H&S RA - Recycling Depot Operatives** Role risk assessment - Highest Risk scored

Effects (Impact/Severity):

Causes (Likelihood):

Service: Street Scene Services

Current Status: Medium (10)	Current Risk Severity: 5 - Very High	Current Risk Likelihood: 2 - Low
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Head of Service: Stuart Noyce

Review Note: RA Review

**Risk: H&S RA - Refuse Driver/Loader** Risk Assessment for Role - Highest risk from role RA. - Risk of RTA from sever weather conditions

Effects (Impact/Severity):

Causes (Likelihood):

Service: Street Scene Services

Current Status: Medium (10)	Current Risk Severity: 5 - Very High	Current Risk Likelihood: 2 - Low
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Head of Service: Stuart Noyce

Review Note: Annual Review of Risk Assesment

## Environment PDG Risk Management Report - Appendix 2

### **Risk: H&S RA - Street Cleansing Operative** Job Role Risk Assessment

**Effects (Impact/Severity):**

**Causes (Likelihood):**

**Service: Street Scene Services**

**Current Status: Medium  
(10)**

**Current Risk Severity: 5 - Very  
High**

**Current Risk Likelihood: 2 -  
Low**

**Head of Service: Stuart Noyce**

**Review Note:** Risk with control measures added

### **Risk: Noise** Risk of hearing damage and headaches from high noise levels above 85 decibels and nuisance noise eg Printers, fans.

**Effects (Impact/Severity):**

**Causes (Likelihood):**

**Service: Street Scene Services**

**Current Status: Medium  
(5)**

**Current Risk Severity: 5 - Very  
High**

**Current Risk Likelihood: 1 - Very  
Low**

**Head of Service: Stuart Noyce**

**Review Note:** No change

### **Risk: Vehicles, Transport, Driving** Risk of collisions with other moving or stationary vehicles, cycles and/or pedestrians.

**Effects (Impact/Severity):**

**Causes (Likelihood):**

**Service: Street Scene Services**

**Current Status: Medium  
(5)**

**Current Risk Severity: 5 - Very  
High**

**Current Risk Likelihood: 1 - Very  
Low**

**Head of Service: Stuart Noyce**

**Review Note:** No change



# Risk Matrix Environment Appendix 3

Report  
 Filtered by Service: Street Scene Services  
 Current settings

<b>Risk Likelihood</b>	<b>5 - Very High</b>	No Risks	No Risks	No Risks	No Risks	No Risks
	<b>4 - High</b>	No Risks	No Risks	No Risks	No Risks	No Risks
	<b>3 - Medium</b>	No Risks	No Risks	1 Risk	No Risks	No Risks
	<b>2 - Low</b>	No Risks	No Risks	No Risks	No Risks	3 Risks
	<b>1 - Very Low</b>	1 Risk	4 Risks	2 Risks	4 Risks	3 Risks
	<b>1 - Very Low</b>	<b>2 - Low</b>	<b>3 - Medium</b>	<b>4 - High</b>	<b>5 - Very High</b>	
	<b>Risk Severity</b>					

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**CABINET**  
**27 OCTOBER 2016**

## **FINANCIAL UPDATE FOR THE SIX MONTHS TO 30 SEPTEMBER 2016**

**Cabinet Member** Cllr Peter Hare-Scott  
**Responsible Officer** Andrew Jarrett – Director of Finance, Assets & Resources

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

**RECOMMENDATION(S):** The Cabinet note the financial monitoring information for the income and expenditure so far for the 2016/17 financial year.

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

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

**Legal Implications:** None.

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

### **1.0 Introduction**

- 1.1 The purpose of this report is to highlight to Cabinet our current financial status and the likely reserve balances at 31 March 2017. It embraces both revenue, in respect of the General Fund and Housing Revenue Account, and capital and aims to focus attention on those areas which are unlikely to achieve budget. It is particularly important for next year's budget setting and, looking further ahead, with the medium term financial plan.
- 1.2 Favourable variances generating either increased income or cost savings are expressed as credits (negative numbers), whilst unfavourable overspends or incomes below budget are debits (positive numbers). This report only includes budget variances in excess of £10k as the purpose of the report is to concentrate on material issues that may require further investigation/action. Budget variances are expressed net of budgeted transfers to or from earmarked reserves, which were previously approved by Cabinet. A more detailed analysis will be provided with the final outturn report for the year.

## 2.0 Executive Summary of 2016/17

2.1 The table below shows the opening position of key operational balances of the Council, the forecast in year movements and final predicted position at 31 March 2017:

<b>Usable Reserves</b>	<b>31/03/2016</b>	<b>Forecast in year movement</b>	<b>31/03/2017</b>
	<b>£k</b>	<b>£k</b>	<b>£k</b>
<b>Revenue</b>			
General Fund – see note	<b>(2,211)</b>	<b>134</b>	<b>(2,077)</b>
Housing Revenue Account (see paragraph 4.2)	<b>(2,000)</b>	<b>0</b>	<b>(2,000)</b>
<b>Capital</b>			
Major Repairs Reserve	<b>0</b>	<b>0</b>	<b>0</b>
Capital Receipts Reserve	<b>(1,442)</b>	<b>(693)</b>	<b>(2,135)</b>
Capital Contingency Reserve	<b>(567)</b>	<b>285</b>	<b>(282)</b>

## 3.0 The General Fund Reserve

3.1 This is the major revenue reserve of the Council. It is increased or decreased by the surplus or deficit generated on the General Fund in the year. This reserve held a balance of £2,211k as at 31/03/16.

3.2 The forecast General fund *deficit* for the current year is £162k as shown at Appendix A. The most significant *service* movements this month comprise:

- £220k savings as a result of the Shared Waste Agreement.
- £83k deterioration in Leisure Services forecast, made up of both costs and income.

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

## 4.0 Housing Revenue Account (HRA)

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

4.2 Appendix E shows that the reserve opening balance is £2m. It is anticipated that the forecast variance of £30k will affect the budgeted

transfer to the Housing Maintenance Fund and so the HRA reserve balance should remain at £2m.

4.3 Overall, the HRA forecast underspend of £30k in 2016/17, the most significant items of which comprise the following:

- £50k staffing saving across the housing and tenancy teams, largely due to vacancies going unfilled for the early part of the year
- £49k surplus is forecast on dwelling rent since this area is slightly ahead of target at this stage
- £76k additional funding for major works is anticipated, since there are expected to be £2,876k worth of costs in 2016/17

4.4 There are budgeted revenue contributions to capital projects as follows for 2016/17.

<b>Description</b>	<b>Budget £'000</b>	<b>Forecast Outturn £'000</b>	<b>Variance £'000</b>
1 x Tipper Vehicle	24	24	0

4.5 The following works are expected to be funded from the Housing Maintenance Fund during 2016/17.

<b>Description</b>	<b>Budget £'000</b>	<b>Forecast Outturn £'000</b>	<b>Variance £'000</b>
Birchen Lane re-development	40	40	0
Palmerston Park	2,339	266	(2,073)
Queensway development	299	0	(299)
Burlescombe development	424	0	(424)
Stoodleigh development	223	0	(223)
	<b>3,325</b>	<b>306</b>	<b>(3,019)</b>

In addition, £25k is planned to be spent on sewage treatment works and funded by an earmarked reserve.

## **5.0 Major Repairs Reserve**

5.1 The Major Repairs Reserve had a nil balance at 31 March 2016. After this year's capital expenditure and funding of the Major Repairs Reserve the closing balance is forecast to be £0k. Whilst there is a forecast underspend of £115k on the Capital Programme relating to 'Major Repairs to Housing Stock' this will remain in the Housing Maintenance Fund for future reprioritisation.

## 6.0 Capital Programme

- 6.1 Capital projects by their very nature often overlap financial years. In some cases it is known from the outset that the construction of buildings may fall into 3 separate accounting years. The status of this year's capital programme is shown at Appendix G.
- 6.2 Committed and Actual expenditure is currently £7,110k against a budgeted Capital Programme of £15,710k. (Note this includes £7,669k of slippage rolled forward from 15/16). As projects often overlap financial years officers have given their best estimate of what is 'deliverable' in 16/17; this amounts to £10,583k. Committed and Actual expenditure will therefore be monitored against this & currently shows an uncommitted amount of £3,473k (£10,583k - £7,110k).
- 6.3 At this stage in the year the forecast underspend amounts to £360k, £115k of this relates to major repairs to our housing stock and £130k for renewable energy projects, also associated with our housing stock; both these amounts will remain in their respective reserves for reprioritisation in future years. The remaining forecast underspend mainly relates to £105k associated with the replacement of waste vehicles; due to changes in the waste scheme 3 of the 5 large vehicles budgeted to be replaced can be replaced with smaller vehicles.
- 6.4 Currently the forecast slippage to carry forward to 17/18 amounts to £140k, this mainly relates to ICT projects for PC replacement £40k, Server upgrades £32k and replacement of CRM £50k which are forecast to be completed in 17/18.

## 7.0 Capital Contingency Reserve

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

	£k
Capital Earmarked Reserve at 1 April 2016	(567)
Funding required to support 2016/17 Capital Programme	285
<b>Forecast Balance at 31 March 2017</b>	<b>(282)</b>

## 8.0 Capital Receipts Reserve (Used to fund future capital programmes)

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

	£k
Unapplied Useable Capital Receipts at 1 April 2016	(1,442)
Net Receipts to date (includes 15 RTB's)	(1,023)
<b>Current Balance</b>	<b>(2,465)</b>
Forecast further capital receipts in year	(740)
Forecast capital receipts to be applied in year	1,070
Forecast Unapplied Capital Receipts c/fwd. 31 March 2017	<b>(2,135)</b>

**8.2** Please note the majority of these balances on the Capital Contingency Reserve and the Capital Receipts Reserve are required to balance the Medium Term Financial Strategy.

## **9.0 Treasury Management**

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

### Interest Receivable:

	Budget £k	Forecast outturn £k	Forecast variance £k
Investment Income Received	171	201	30
Interest from HRA funding	54	54	0
<b>Total Interest Receivable</b>	<b>225</b>	<b>255</b>	<b>30</b>

## **10.0 Conclusion**

10.1 Members are asked to note the revenue and capital forecasts for the financial year. Cost pressures and income trends will become more apparent as we progress through the year.

10.2 The Finance team are working with service managers to produce proposals for the policy development groups in the Autumn. As emerging trends develop in the current year any future impacts will be factored into next year's budgets.

**Contact for more information:**

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**Circulation of the Report:**

Cllr Peter Hare-Scott, Management Team

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**GENERAL FUND FINANCIAL MONITORING INFORMATION FOR THE  
PERIOD 01 APRIL TO 30 SEPTEMBER 2016**

			2016/17 Annual Budget	Full Year Forecast (0 = On budget)	Variance
Com	General Fund Summary	Note	£	£	%
	<b>Cllr C J Eginton</b>				
CM	Corporate Management	A	1,139,580	(38,000)	-3.3%
LD	Legal & Democratic Services: Member/Election Services	B	579,870	(28,000)	-4.8%
	<b>Cllr K Busch</b>				
CP	Car Parks	C	(616,390)	8,150	1.3%
ES	Cemeteries & Public Health	D	(47,610)	45,772	-96.1%
ES	Open Spaces	F	54,800	5,000	9.1%
GM	Grounds Maintenance	E	562,130	(10,130)	-1.8%
WS	Waste Services	H	1,775,510	100,200	5.6%
	<b>Cllr C R Slade</b>				
CD	Community Development	I	414,980	500	0.1%
ES	Environmental Services incl. Licensing	D	552,870	23,400	4.2%
IT	IT Services	Q	879,310	(14,600)	-1.7%
PR	Planning - Land charges	N	(24,600)	(12,000)	48.8%
RS	Recreation And Sport	J	(82,410)	238,000	-288.8%
	<b>Cllr P H D Hare-Scott</b>				
FP	Finance And Performance	K	680,960	0	0.0%
RB	Revenues And Benefits	L	266,600	(60,000)	-22.5%
	<b>Cllr R L Stanley</b>				
ES	ES: Private Sector Housing Grants	D	165,720	(12,100)	-7.3%
HG	General Fund Housing	M	232,470	(3,000)	-1.3%
PS	Property Services	G	272,580	8,680	3.2%
	<b>Cllr R J Chesterton</b>				
CD	Community Development: Markets	I	(3,410)	30,000	879.8%
PR	Planning And Regeneration	N	741,670	256,908	34.6%
	<b>Cllr M Squires</b>				
CS	Customer Services	O	860,060	(81,000)	-9.4%
ES	Environment Services - Public Health	D	74,990	(12,000)	-16.0%
HR	Human Resources	P	479,310	22,800	4.8%
LD	Legal & Democratic Services: Legal Services	B	215,730	0	0.0%
	<b>All General Fund Services</b>		<b>9,174,720</b>	<b>468,580</b>	<b>5.1%</b>
	Net recharge to HRA		(1,265,490)	0	
IE260	Interest Payable		146,030	0	
IE290	Interest Receivable on Investments		(171,000)	(30,000)	
	Interest from Funding provided for HRA		(54,000)	0	
	New Homes Bonus Grant		(1,831,460)	0	
	Sundry Grants		0	0	
ABFGF	Statutory Adjustments (Capital charges)		400,720	0	
TREMR	Net Transfer to/(from) Earmarked Reserves	APP B	2,169,990	(304,314)	
	<b>TOTAL BUDGETED EXPENDITURE</b>		<b>8,569,510</b>	<b>134,266</b>	<b>1.6%</b>
	Formula Grant		(2,973,150)	0	
	Rural Services Delivery Grant		(463,810)	0	
	Transitional Grant		(31,630)	0	
	Council Tax		(5,092,690)	0	
	Collection Fund Surplus		(8,230)	0	
	<b>TOTAL BUDGETED FUNDING</b>		<b>(8,569,510)</b>	<b>0</b>	<b>0%</b>
	<b>Forecast in year (Surplus) / Deficit</b>		<b>0</b>	<b>134,266</b>	
	General Fund Reserve 01/04/16			(2,211,035)	
	<b>Forecast General Fund Balance 31/03/17</b>			<b>(2,076,769)</b>	

## GENERAL FUND FINANCIAL MONITORING INFORMATION FOR THE PERIOD 01 APRIL TO 30 SEPTEMBER 2016

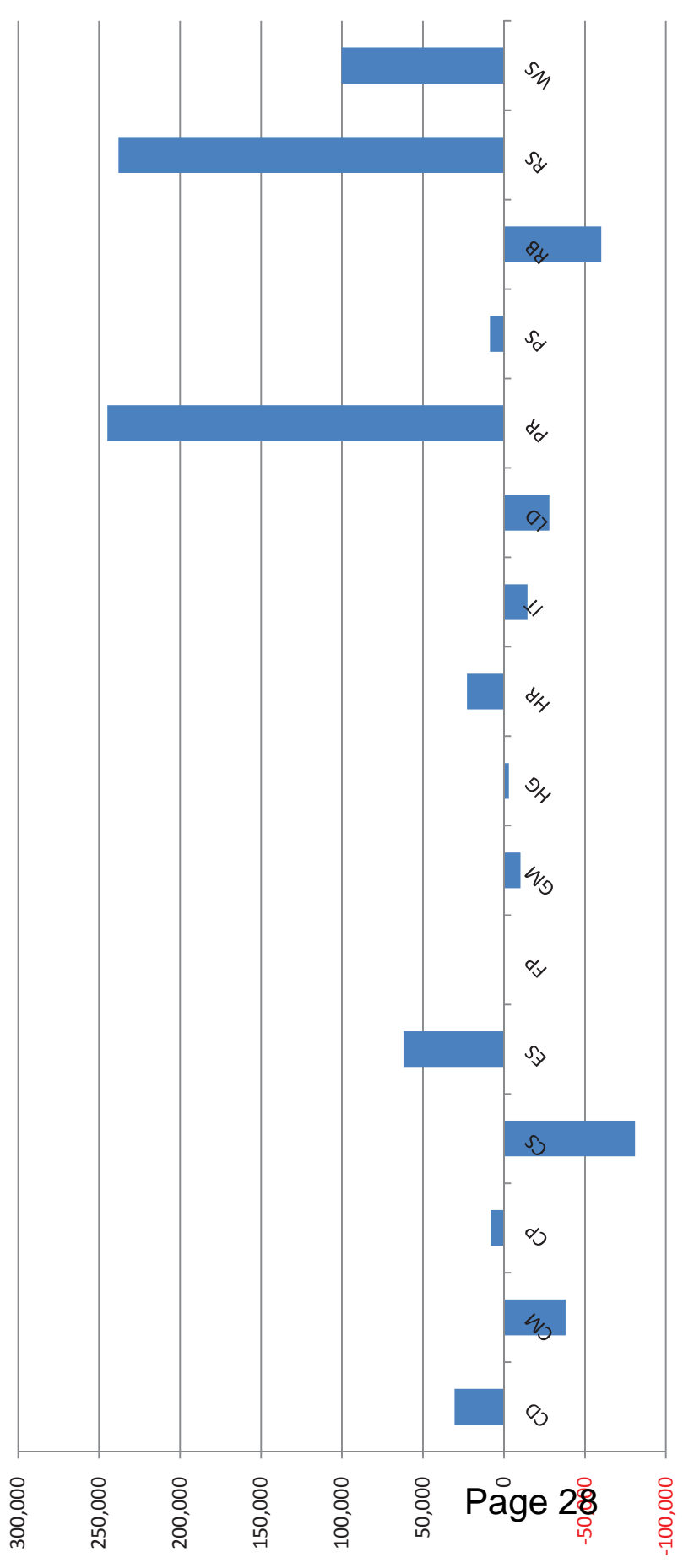
Note	Description of Major Movements	Full Year Forecast Variation (Net of Trf to EMR)	PDG
<b>D</b>	<b>Environmental Services combined</b>		
	Redundancy costs for the Bereavement Services Manager	28,772	Environment
	Internments/Exclusive Burial rights income down.	17,000	Environment
		<b>45,772</b>	
<b>E</b>	<b>Grounds Maintenance</b>		
	Redundancy costs for the Grounds Maintenance Manager - partly offset by salary underspends	30,470	Environment
	Salary underspends due to vacant posts	(69,600)	Environment
	Agency costs overspend due to sickness/vacant post	20,000	Environment
	Underspend on Fuel Budgets	(6,000)	Environment
	Increased supplies & services costs	3,000	Environment
	Reduced income received from DCC on grass cutting part offset by Parish/Town Council contributions	3,000	Environment
	Reduction in Tree works carried out for the HRA	9,000	Environment
		<b>(10,130)</b>	
<b>F</b>	<b>Open Spaces</b>		
	Overspend on Play Area's maintenance budget	5,000	Environment
		<b>5,000</b>	
<b>H</b>	<b>Waste Services</b>		
	Vehicle repairs, running aged fleet until replacement need is known	25,000	Environment
	Hire of vehicles due to running an aged fleet, replacements anticipated in quarter 4.	50,000	Environment
	Trade waste - landfill disposal charges higher than anticipated	12,000	Environment
	Garden waste income, based on current number of customers and forecast uptake for remainder of year	50,000	Environment
	Recycling income - due to an increase in price and tonnages	(54,000)	Environment
	Increase in rent and rates for the new depot	61,200	Environment
	Moving and fit out costs for the new waste depot above budget (see ear marked reserve)	156,000	Environment
	Shared landfill disposal savings with DCC. Agreed by DCC Cabinet now delegated to the Head of Highways, Capital Development and Waste and the Cabinet Member to agree details	(200,000)	Environment
		<b>100,200</b>	
	<b>FORECAST (SURPLUS)/DEFICIT AS AT 31/03/17</b>	<b>140,842</b>	

<b>Cabinet</b>	<b>(138,800)</b>
<b>Community</b>	<b>434,808</b>
<b>Homes</b>	<b>(6,420)</b>
<b>Environment</b>	<b>140,842</b>
<b>Economy</b>	<b>38,150</b>
	<b>468,580</b>

GENERAL FUND FINANCIAL MONITORING INFORMATION FOR THE PERIOD 01 APRIL TO 30 SEPTEMBER 2016

Committee	Net Transfers to / from Earmarked Reserves	(Net Trf to EMR)
<b>CD</b>	Community Development	
	Grant spend from Seed Fund earmarked reserve released	(12,000)
	New Homes Bonus monies earmarked for additional Grants and Funding Officer post	(21,210)
<b>CM</b>	Corporate Management	
<b>CP</b>	Car Parks	
<b>CS</b>	Customer Services	
	Contribution towards digital strategy salaries	(37,030)
<b>ES</b>	Cemeteries & Public Health	
	EMR release for Public Health Officer	(18,950)
	Parks & Open Spaces Developers Contributions	7,860
	Play Area's Developers Contributions	10,870
	Newcombes Play Area enhancement funded from S106 Monies	(9,326)
<b>FP</b>	Finance And Performance	
<b>GM</b>	Grounds Maintenance	
<b>HG</b>	General Fund Housing	
<b>HR</b>	Human Resources	
	Management Training 16/17	(30,000)
<b>IT</b>	IT Services	
	Aerial photography ear marked reserve released	(2,800)
<b>LD</b>	Legal & Democratic Services: Member/Election Services	
	Contribution towards additional staffing requirement	(14,180)
<b>PR</b>	Planning - Land charges	
	Grant spend from High Street Innovation Fund ear marked reserve released	(43,308)
	New Homes Bonus monies earmarked for the Town Centre Manager post	(42,720)
	New Homes Bonus used to offset one-off costs shown against service	(150,000)
	Contribution towards Economic development activities	(100,000)
<b>PS</b>	Property Services	
	Town Hall Toilet refurbishment	(11,300)
	Market Walk Profit	202,410
	Release of Market Walk profit	(150,000)
<b>RB</b>	Revenues And Benefits	
<b>RS</b>	Recreation And Sport	
<b>WS</b>	Waste Services	
	New Homes Bonus monies earmarked for the new waste depot, move and fit out costs	(256,000)
<b>Various</b>	Sinking fund contributions for vehicles & plant	711,900
<b>IE</b>		
	New Homes Bonus monies earmarked for capital and economic regeneration projects	1,831,460
	<b>Net Transfer to / (from) Earmarked Reserves</b>	<b>1,865,676</b>
	Budgeted Net Transfer to Reserves	2,169,990
	<b>Forecast Variance</b>	<b>(304,314)</b>

## 2016/17 General Fund Projected Outturn Variance £



**Key** + = Overspend / Income under target - = Savings / Income above budget

- |           |                         |           |                           |
|-----------|-------------------------|-----------|---------------------------|
| <b>CD</b> | Community Development   |           |                           |
| <b>CM</b> | Corporate Management    | <b>IT</b> | I.T. Services             |
| <b>CP</b> | Car Parks               | <b>LD</b> | Legal and Democratic      |
| <b>CS</b> | Customer Services       | <b>PR</b> | Planning and Regeneration |
| <b>ES</b> | Environmental Services  | <b>PS</b> | Property Services         |
| <b>FP</b> | Finance and Performance | <b>RB</b> | Revenues and Benefits     |
| <b>GM</b> | Grounds Maintenance     | <b>RS</b> | Recreation and Sports     |
| <b>HG</b> | General Fund Housing    | <b>WS</b> | Waste Services            |
| <b>HR</b> | Human Resources         |           |                           |

## GENERAL FUND FINANCIAL MONITORING INFORMATION FOR THE PERIOD 01 APRIL TO 30 SEPTEMBER 2016

	2016/17	2016/17	2016/17	2016/17	Full Year	
	Annual Budget	Profiled Budget	Actual	Variance	Forecast	Variance
	£	£	£	£	£	%
Building Control Fees	(280,000)	(140,000)	(138,842)	1,158	0	0%
Planning Fees	(834,000)	(417,000)	(293,532)	123,468	91,000	-11%
Land Searches	(110,460)	(55,230)	(69,821)	(14,591)	(12,000)	11%
Car Parking Fees - See Below	(814,200)	(384,576)	(369,076)	15,500	20,000	-2%
Leisure Fees & Charges	(2,685,020)	(1,219,550)	(1,152,697)	66,853	90,000	-3%
Trade Waste Income	(656,000)	(359,280)	(358,084)	1,196	0	0%
Garden Waste Scheme	(500,000)	(250,000)	(127,546)	122,454	50,000	-10%
Licensing	(120,700)	(42,805)	(46,311)	(3,506)	0	0%
Market Income	(122,470)	(61,235)	(46,670)	14,565	30,000	-24%
	<b>(6,122,850)</b>	<b>(2,929,676)</b>	<b>(2,602,579)</b>	<b>327,097</b>	<b>269,000</b>	<b>-4.4%</b>
<b>Pay and Display</b>					<b>Spaces</b>	<b>Bud Income pa per space</b>
Beck Square, Tiverton	(83,780)	(43,773)	(44,765)	(992)	40	(2,095)
William Street, Tiverton	(30,780)	(13,764)	(13,728)	36	45	(684)
Westexe South, Tiverton	(45,800)	(24,171)	(24,646)	(475)	51	(898)
Wellbrook Street, Tiverton	(13,540)	(6,861)	(7,764)	(903)	27	(501)
Market Street, Crediton	(36,420)	(18,096)	(19,909)	(1,813)	39	(934)
High Street, Crediton	(79,330)	(40,706)	(38,511)	2,195	190	(418)
Station Road, Cullompton	(34,900)	(18,180)	(21,618)	(3,438)	112	(312)
Multistorey, Tiverton	(167,980)	(83,724)	(62,433)	21,291	631	(266)
Market Car Park, Tiverton	(216,120)	(105,668)	(106,556)	(888)	122	(1,771)
Phoenix House, Tiverton	(3,680)	(1,768)	(2,069)	(301)	15	(245)
P&D Shorts & Overs	0	0	55	55	0	0
	<b>(712,330)</b>	<b>(356,711)</b>	<b>(341,944)</b>	<b>14,767</b>	<b>1,272</b>	<b>(8,124)</b>
<b>Day Permits</b>	(31,000)	(3,584)	(1,971)	1,613		
<b>Allocated Space Permits</b>	(26,040)	(1,791)	(1,770)	21		
<b>Overnight Permits</b>	(1,000)	(500)	0	500		
<b>Day &amp; Night Permits</b>	0	0	(1,733)	(1,733)		
<b>Market Walk Permits</b>	(9,380)	(4,690)	(4,207)	483		
<b>Other Income</b>	(34,450)	(17,300)	(17,450)	(150)		
	<b>(814,200)</b>	<b>(384,576)</b>	<b>(369,076)</b>	<b>15,500</b>		
<b>Standard Charge Notices (Off Street)</b>	<b>(28,000)</b>	<b>(14,000)</b>	<b>(21,120)</b>	<b>(7,120)</b>	<b>(9,000)</b>	

	2016/17	2016/17	2016/17	2016/17
	Annual Budget	Profiled Budget	Actual	Variance
	£	£	£	£
<b>Total Employee Costs</b>				
<b>General Fund</b>				
Community Development	295,180	147,590	137,050	(10,540)
Corporate Management	901,960	450,980	437,820	(13,160)
Customer Services	764,610	382,305	341,958	(40,347)
Environmental Services	923,320	461,660	493,778	32,118
Finance And Performance	632,710	316,355	311,310	(5,045)
General Fund Housing	197,330	98,665	92,750	(5,915)
Grounds Maintenance	448,900	224,450	203,799	(20,651)
Human Resources	361,460	180,730	185,180	4,450
I.T. Services	522,100	261,050	236,065	(24,985)
Legal & Democratic Services	417,660	208,830	191,041	(17,789)
Planning And Regeneration	1,525,620	762,810	678,031	(84,779)
Property Services	385,320	192,660	171,676	(20,984)
Recreation And Sport	1,630,750	815,375	861,970	46,595
Revenues And Benefits	668,450	334,225	344,585	10,360
Waste Services	1,863,780	931,890	886,657	(45,233)
	<b>11,539,150</b>	<b>5,769,575</b>	<b>5,573,668</b>	<b>(195,907)</b>
<b>Housing Revenue Account</b>				
SHO13A Repairs & Maintenance	593,480	296,740	292,492	(4,248)
SHO17A Housing & Tenancy Services	1,432,670	716,335	648,536	(67,799)
SHO22 Alarms expenditure	66,720	33,360	19,279	(14,081)
	<b>2,092,870</b>	<b>1,046,435</b>	<b>960,307</b>	<b>(86,128)</b>
<b>Total</b>	<b>13,632,020</b>	<b>6,816,010</b>	<b>6,533,975</b>	<b>(282,035)</b>

	2016/17	2016/17	2016/17	2016/17
	Annual Budget	Profiled Budget	Actual	Variance
	£	£	£	£
<b>Agency Staff</b>				
<b>General Fund</b>				
Car Parks	0	0	0	0
Community Development	0	0	0	0
Corporate Management	0	0	0	0
Customer Services	0	0	1,621	1,621
Environmental Services	0	0	0	0
Finance And Performance	0	0	0	0
General Fund Housing	0	0	0	0
Grounds Maintenance	5,000	2,500	14,439	11,939
Human Resources	0	0	0	0
I.T. Services	0	0	0	0
Legal & Democratic Services	0	0	0	0
Planning And Regeneration	0	0	0	0
Property Services	0	0	7,166	7,166
Recreation And Sport	0	0	0	0
Revenues And Benefits	0	0	0	0
Waste Services	128,500	64,250	107,406	43,156
	<b>133,500</b>	<b>66,750</b>	<b>130,632</b>	<b>63,882</b>
<b>Housing Revenue Account</b>				
SHO13A Repairs & Maintenance	0	0	3,622	3,622
SHO17A Housing & Tenancy Services	0	0	25,301	25,301
SHO22 Alarms expenditure	0	0	0	0
	<b>0</b>	<b>0</b>	<b>28,923</b>	<b>28,923</b>
<b>Total</b>	<b>133,500</b>	<b>66,750</b>	<b>159,555</b>	<b>92,805</b>

**HOUSING REVENUE ACCOUNT FINANCIAL MONITORING INFORMATION FOR  
THE PERIOD 01 APRIL TO 30 SEPTEMBER 2016**

		2016/17 Annual Budget	Forecast	Variance
Housing Revenue Account (HRA)	Notes	£	£	%
<b>Income</b>				
SHO01 Dwelling Rents Income	A	(12,593,760)	(49,000)	0.4%
SHO04 Non Dwelling Rents Income	B	(554,070)	(2,000)	0.4%
SHO06 Tenant Charges For Services	C	(42,360)	32,000	-75.5%
SHO07 Leaseholders' Service Charges	D	(23,540)	0	0.0%
SHO08 Contributions Towards Expenditure	E	(33,720)	0	0.0%
SHO09 Alarm Income - Non Tenants	F	(194,660)	(13,000)	6.7%
SHO10 H.R.A. Investment Income	G	(40,000)	0	0.0%
SHO11 Miscellaneous Income	H	(19,000)	0	0.0%
<b>Services</b>				
SHO13A Repairs & Maintenance	I	3,214,780	11,000	0.0%
SHO17A Housing & Tenancy Services	J	1,354,750	(50,000)	-3.7%
SHO22 Alarms expenditure	K	152,200	(36,000)	-23.7%
<b>Accounting entries 'below the line'</b>				
SHO29 Bad Debt Provision Movement	L	25,000	0	0.0%
SHO30 Share Of Corporate And Democratic	M	177,400	1,000	0.6%
SHO32 H.R.A. Interest Payable	N	1,268,030	0	0.0%
SHO34 H.R.A. Transfers between earmarked reserves	O	2,393,010	0	0.0%
SHO36 H.R.A. R.C.C.O.	P	24,000	0	0.0%
SHO37 Capital Receipts Reserve Adjustment	Q	(20,800)	0	0.0%
SHO38 Major Repairs Allowance	R	2,800,000	76,000	2.7%
SHO45 Renewable Energy Transactions	S	(130,000)	0	0.0%
		<b>(2,242,740)</b>	<b>(30,000)</b>	<b>-1.3%</b>
Net recharge to HRA		1,265,490		
Capital Charges		977,250		
<b>Net Housing Revenue Account Budget</b>		<b>0</b>		

Housing Revenue Account	£k
Total HRA reserve as at 01/04/16	(2,000)
Forecast movement in the year	0
<b>Forecast HRA reserve as at 31/03/17</b>	<b>(2,000)</b>

Housing Maintenance Fund	£k
Opening balance	(8,886)
Reserve utilised for capital works (see appendix G)	306
Budgeted transfer to reserves	(1,704)
Forecast variance for the year (see above)	(30)
<b>Forecast closing balance</b>	<b>(10,314)</b>

Renewable Energy Fund	£k
Opening balance	(342)
Expenditure forecast for this year (see appendix G)	70
Net income forecast for this year	(130)
<b>Forecast closing balance</b>	<b>(402)</b>

**HOUSING REVENUE ACCOUNT FINANCIAL MONITORING INFORMATION FOR THE PERIOD 01  
APRIL TO 30 SEPTEMBER 2016**

Note	Description of Major Movements	Corrective Action	Forecast Variance £
<b>A</b>	Dwelling rent is 0.4% ahead of target	N/A	(49,000)
<b>B</b>	Minor variance	N/A	(2,000)
<b>C</b>	The Learning Disability Support contract has ceased to operate	N/A	32,000
<b>F</b>	Community Alarm sales continue to be high	N/A	(13,000)
<b>I</b>	Minor variance	N/A	11,000
<b>J</b>	Savings due to restructuring of staffing across several teams	N/A	(50,000)
<b>K</b>	The Learning Disability Support contract has ceased to operate	N/A	(36,000)
<b>M</b>	Minor variance	N/A	1,000
<b>R</b>	£2,876,000 is expected to be spent on major works this year (see appendix G)	None	76,000
		<b>TOTAL</b>	<b>(30,000)</b>



Scheme	Notes	Budget £	Expenditure £	Variance £	Forecast (Underspend)/ Overspend £	Forecast Slippage to 17/18 £
<b>General Fund Projects</b>						
<b><u>Lords Meadow leisure centre</u></b>						
Main car park resurfacing		50,000	0	(50,000)		
<b><u>Exe Valley leisure centre</u></b>						
EVLC - Pressure set replacement Hot/Cold		35,000	0	(35,000)		
EVLC - Fitness extension - subject to business case *		22,000	0	(22,000)		
<i>* Note £500k in 15/16 will be slipped to 16/17</i>						
<b><u>Phoenix House</u></b>						
Phoenix House - Ground Floor changes - subject to business case		163,000	112,282	(50,718)		
<b><u>Pannier Market</u></b>						
Pannier Market - Pedestrian roof cover - subject to business case **		0	0	0		
<i>** Note £110k in 15/16 will be slipped to 16/17</i>						
Tiverton Pannier Market Piggins		73,000	0	(73,000)		
Pannier Market Clock Tower		34,000	33,479	(521)	4,500	
<b><u>MSCP Improvements</u></b>						
MSCP improvements (refer to Matrix condition report)		50,000	0	(50,000)		
<b><u>Play Areas</u></b>						
Play area refurbishment - Wilcombe Tiverton		50,000	59,995	9,995		
Play area refurbishment - West Exe Recreation Ground Tiverton		50,000	0	(50,000)		
<b><u>Other Projects</u></b>						
Town Hall Redevelopment Project		20,000	5,878	(14,122)		
Land drainage flood defence schemes - Ashleigh Park Bampton		67,000	0	(67,000)		
Angel Hill improvements		15,000	3,458	(11,543)		
Town centre/Market area fibre optic hub and camera system		30,000	32,603	2,603		
Station Yard re construct shower block welfare		35,000	0	(35,000)		
Land drainage flood defence scheme - Newton St Cyres		50,000	0	(50,000)		
Phoenix Lane - Conversion to homeless shelter		60,000	1,626	(58,374)		
St Lawrence Green Project		30,000	0	(30,000)		
Waste move - Porta Cabins at Carlu Close		114,000	113,910	(90)		

Scheme	Notes	Budget £	Expenditure £	Variance £	Forecast (Underspend)/ Overspend £	Forecast Slippage to 17/18 £
<b><u>ICT Projects</u></b>						
Replacement of PC estate 330s		40,000	0	(40,000)		40,000
Continued replacement of WAN/LAN		60,000	0	(60,000)		
Server farm expansion/upgrades		108,000	12,028	(95,972)		32,000
Unified Communications/telephony		25,000	0	(25,000)	(25,000)	
Digital Transformation		104,000	25,275	(78,725)		
Mobile Working ND/L MX		39,000	70,000	31,000	31,000	
Arc Server Spatial (open Source Mapping)		18,000	0	(18,000)		18,000
E-Financials Technical refresh		30,000	29,742	(258)		
Digital Transformation - replacement of CRM		50,000	0	(50,000)		50,000
Digital Transformation including Cosmic for Mid Devon		20,000	0	(20,000)	(20,000)	
SQL/Oracles refreshes		50,000	24,945	(25,055)		
<b><u>Replacement Vehicles - Grounds Maintenance</u></b>						
Iveco Tipper (or equivalent)		24,000	0	(24,000)		
<b><u>Replacement Vehicles - Refuse Collection</u></b>						
Dennis Eagle Terberg RCV 22-26t (or equivalent)		160,000	0	(160,000)		
5 Refuse Vehicles with Food waste capability ***		900,000	0	(900,000)	(105,000)	
*** Note £740k in 15/16 will be slipped to 16/17						
7.5T Tipper		100,000	0	(100,000)		
<b><u>Replacement Vehicles - Street Cleansing</u></b>						
3.5T Tipper		25,000	0	(25,000)		
3.5T Tipper		25,000	0	(25,000)		
		<b>2,726,000</b>	<b>525,220</b>	<b>(2,200,780)</b>	<b>(114,500)</b>	<b>140,000</b>
<b><u>Private Sector Housing Grants</u></b>						
Works in Default Grants			17,238	17,238		
Private Sector Housing initiatives to be prioritised		104,000	0	(104,000)		
Disabled Facilities Grants-Private Sector		468,000	204,111	(263,889)		
		<b>572,000</b>	<b>221,349</b>	<b>(350,651)</b>	<b>0</b>	<b>0</b>
<b><u>Affordable Housing Projects</u></b>						
Grants to Housing Associations to provide units (funded by commuted sum)		100,000	12,495	(87,505)		
		<b>100,000</b>	<b>12,495</b>	<b>(87,505)</b>	<b>0</b>	<b>0</b>
<b>Total General Fund Projects</b>		<b>3,398,000</b>	<b>759,064</b>	<b>-2,638,936</b>	<b>(114,500)</b>	<b>140,000</b>

Scheme	Notes	Budget £	Expenditure £	Variance £	Forecast (Underspend)/ Overspend £	Forecast Slippage to 17/18 £
<b>HRA Projects</b>						
Major repairs to Housing Stock		2,991,000	2,062,331	(928,669)	(115,000)	
Renewable Energy Fund Spend		200,000	67,640	(132,360)	(130,000)	
Birchen Lane - re development of unit for housing conversion (4 units)		367,550	367,554	4		
Palmerston Park Tiverton - affordable dwellings (26 units)		3,160,700	3,660,714	500,014		
Iveco Tipper 3.5t (or equivalent)		24,000	0	(24,000)		
Queensway (Beech Road) Tiverton (3 units)		10,000	0	(10,000)		
Disabled Facilities Grants - Council Houses		297,000	187,475	(109,525)		
Burlescombe (6 units) ****		80,000	880	(79,120)		
Waddeton Park - (70 units)		10,000	4,640	(5,360)		
Sewerage Treatment Works - Washfield		25,000	0	(25,000)		
* Stoodleigh - Pending feasibility (4 units)		20,000	0	(20,000)		
<b>Total HRA Projects</b>		<b>7,185,250</b>	<b>6,351,233</b>	<b>(834,017)</b>	<b>(245,000)</b>	<b>0</b>
<b>CAPITAL PROGRAMME GRAND TOTAL SPEND</b>						
		<b>10,583,250</b>	<b>7,110,297</b>	<b>(3,472,953)</b>	<b>(359,500)</b>	<b>140,000</b>

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### Cabinet

27 October 2016

### Draft 2017/18 General Fund and Capital Budgets

**Cabinet Member**

Cllr Peter Hare-Scott

**Responsible Officer**

Andrew Jarrett Director of Finance, Assets & Resources

**Reason for the report:** To consider options available in order for the Council to set a balanced budget for 2017/18 and agree a future strategy for further budget reductions for 2018/19 onwards.

**RECOMMENDATION:** To consider the draft budget proposals for 2017/18 and start to plan for additional savings as identified in the Medium Term Financial Plan.

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

**Financial Implications:** The current budget for the General Fund shows a deficit of £419k. In addition we have predicted a funding deficit of just under £1m on our General Fund by 2020/21. This highlights the need to take steps to plan for further reductions to our ongoing expenditure levels.

It is a statutory requirement for the Local Authority to set a balanced budget each year.

**Risk Assessment:** Service Managers and Finance staff have assessed volatility in income and large contractor budgets, taking account of current and estimated future demand patterns. In addition prudent levels of reserves will also continue to be maintained.

#### 1.0 Introduction

1.1 We have recently applied to the Department of Communities and Local Government for a four year fixed funding settlement which will see the complete removal of the remaining Revenue Support Grant of £1.0m by 2019/20.

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

- a) The funding received from central government.
- b) Devon County Council's budget being cut leads to them cutting funding to us, and others, in a variety of ways.
- c) Government departments such as Department of Work and Pensions and Department for Communities and Local Government also have lower budgets and reduce grants.
- d) Changes in customer demand/expectations in the context of the local/national economy.

- 1.3 Although the priority is to balance next year's budget, strategic decisions will need to be made to accommodate reduced funding going forward. So far senior managers will have produced a draft budget based upon "business as usual."
- 1.4 Based on seven years of Public sector austerity many services can no longer continue to reduce cost and still expect "business as usual". We have therefore asked them to consider the impact and risks associated with 10% and 20% savings on their budgets. It is important to remember that some services are statutory and in some cases must breakeven. i.e. we cannot generate a profit. This restricts where savings/cuts can be imposed, section 7 below provides more details.
- 1.5 The proposed savings embodied in the draft budget will need to be agreed by Members, as every proposed saving that is rejected will need to be matched by a suggestion of where a similar saving could be made. Members will be aware that the budget is an evolving process. We have already made a range of assumptions relating to: pay awards, inflation, fees/charges, demand for services, property increases, etc. More information may well change/alter our assumptions in the months leading up to February, when the budget has to be finalised. So the current budget gap of £419k will be revised over the next few months, but it is based on the most current information, in conjunction with professional guidance, that is available.
- 1.6 The Council continues to look into opportunities to further reduce operational costs without immediately reducing service levels. However it remains a real possibility moving forward that some difficult decisions will have to be made relating to what the Council can and can't afford to deliver/support in the future.

## 2.0 The Draft 2017/18 Budget

- 2.1 The initial aggregation of all service budgets (which also includes assumptions surrounding predictions of interest receipts, contributions to our capital programme, transfers from/to reserves and Council Tax levels) currently indicates a General Fund budget gap of £419k (see Appendix 1).
- 2.2 At this point it is worth summarising how we have arrived at this deficit. The table shown below shows the main budget variances affecting the 2017/18 draft budget.

**Table 1 – Reconciliation of Major 2017/18 Budget Variances**

<b>Variances</b>	<b>Amount £k</b>
<b><i>External items outside of our control</i></b>	
Reduced formula grant settlement	609
Decrease in Housing Benefit Grant	25
Pay award	100
Pension provision	35
Price inflation	50
New Apprenticeship Levy	40
<b><i>Subtotal</i></b>	<b>859</b>

<b>Other changes</b>	
New apprentices	20
DCC sharing of waste	(200)
Market Walk income	(20)
Increased income from CCLA investments	(38)
Increase in Collection Fund surplus	(45)
Contributions from town and parish councils	(8)
Increase Council tax income (£5 rise + new 200 properties)	(176)
Department of Work and Pensions rent	(45)
Additional election monies	(29)
Various additional fee income	(60)
Other net cost pressures (including reflection on 16/17 budget pressures)	161
<b>Draft budget gap for 2017/18</b>	<b>419</b>

2.3 In compiling the 2017/18 draft budget we have also examined budget performance during 2016/17 and then made any relevant budget corrections for staffing changes, levels of income, changes in legislation, increases in inflation, etc.

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

### 3.0 The Future

3.1 It is clear that a lot of work has already been undertaken in order to deliver a draft budget gap of £419k. We now are set with two tasks: firstly, to deliver a balanced General Fund budget by February 2017 in order to formally set the Council Tax and secondly, and of equal importance, begin to plan how our future spending plans can be financed. The work with town and parish councils will continue.

3.2 After the BREXIT referendum and with effectively a new government there is some uncertainty over the exact level of Formula Grant reduction going forward. The new Chancellor's Autumn Statement will hopefully provide us with a clearer picture of whether the offer of a fixed four year funding settlement is honoured.

### 4.0 Capital Programme

4.1 In addition to this revenue funding pressure, is our ongoing commitment to future capital programmes, not helped by the current low levels of capital receipts. Even greater pressure may be placed on future programmes if additional borrowing was made to fund new Council Houses, Depots, Sport Centre enhancements, Town Centre enhancement works, vehicle replacements, etc.

4.2 The draft Capital Programme for 2017/18 is attached at Appendix 5. The size of our current and future capital programmes has substantially reduced, due to

the reductions in funding and level of sale receipts and now only includes material projects that are essential maintenance, or asset replacement or income generating/cost reducing.

## **5.0 The November/December PDGs and Cabinet meetings**

5.1 The first round of draft budget meetings will allow discussions with Members, Senior Management, Service Managers and Finance Officers in order to review the proposed draft 2017/18 budget – see Appendix 2. This will include scrutinising and challenging the initial position (and confirming acceptance of all proposed savings put forward) and discussing any other budget areas that Members would like to see additional savings from.

5.2 Before the next round of PDGs and Cabinet in January the Council will receive formal confirmation regarding its; Formula Grant other emerging legislative changes, more information regarding the 2016/17 budget performance, etc. At this point if any of the initial assumptions/estimates significantly worsen, then we will need to bring further savings options forward for consideration.

## **6.0 Public Consultation**

6.1 Earlier year's consultations have consistently highlighted the three most valued services:

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

The three services valued the lowest comprised:

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

6.2 With the Council having to make more challenging decisions with regard to service prioritisation these views and our Corporate Plan should be foremost in determining changes to the base budget.

## **7.0 Statutory, Discretionary Services and the Level of Service Provision**

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

7.2 The main *discretionary* services of the Council comprise:

- Business development (although a corporate priority)
- Community development (includes community group grants)
- Leisure facilities
- Parks and open spaces
- Shops and industrial units



## **What can we do to balance the budget?**

- 7.3 An activity's net cost could be changed by one or more of these factors:
- a) Changing the frequency
  - b) Changing the quality, instead of a "Platinum service" we may be forced to offer a "Silver service"
  - c) Increasing fees or start charging for a service
  - d) Reducing the overheads
  - e) Stopping the activity entirely
  - f) Different models of service delivery (including partnership)
- 7.4 Over the last five years the Authority has concentrated its efforts in maintaining frontline service levels across all sectors by reducing overheads. It is now clear that following those budgetary cuts some service areas are struggling to deliver their service plans, within their existing budgets. Indeed in a few cases external reviews have necessitated increasing the resources in a particular service area to meet our legal obligations.

## **What options are available if something is *statutory*?**

- 7.5 Although we cannot stop the function, we may be able to approach it differently in terms of frequency or quality.
- 7.6 Some of our income streams are influenced by external market forces and in setting prices we have to be mindful of the going market rate. Aside from Council tax, the main discretionary income streams are:
- Building control fees
  - Burial fees
  - Car park charges
  - Industrial unit rent
  - Leisure centre fees
  - Licence fees
  - Market tolls
  - Shop rents
  - Planning fees
  - Trade waste fees
  - Garden waste
- 7.7 Any multi million pound business employing staff and utilising assets needs teams to support them and our frontline services are no different.
- 7.8 The key components, some statutory, others essential, include:
- Audit
  - Accountancy
  - Customer First
  - Procurement (Buying goods and services)
  - Human resources (Includes health and safety)
  - IT
  - Legal services

- Property services

7.9 For example our waste service has to have vehicles and depots to operate from, both of which need to be maintained. The staff need to be managed, to be paid, and legislation provides for health and safety considerations. Depots and building such as Phoenix House are fixed costs, although even here we have created savings by renting out some space. The “back office” activities are therefore intrinsically linked to the “frontline” and savings from both areas have continued to be made.

## **8.0 Conclusion**

8.1 The feedback from all of the PDGs and Scrutiny will be reported to the January Cabinet for consideration in order to set a balanced 2017/18 budget and agree a forward plan. Early in the New Year senior management will meet to establish a strategic plan of how £1m of savings in the next four years can be achieved. This process will be based upon giving Members a series of options, some of which may require short term investment, to generate medium or long term savings. The savings options will need to be considered across all Member meetings, based upon the priorities contained within the new corporate plan. Having identified possible savings, there will need to be careful consideration of their potential impact, probable lead times for delivery of that saving and any associated disengagement costs or possible ‘spend to save’ implications that would arise.

**Contact for more information:** Andrew Jarrett – Director of Finance, Assets & Resources (01884 234242 / [ajarrett@middevon.gov.uk](mailto:ajarrett@middevon.gov.uk))

**Circulation of the Report:** Management Team, Members and relevant Service Managers

## GENERAL FUND REVENUE ACCOUNT DRAFT BUDGET SUMMARY 2017/18

	Notes	Net Direct Costs Budget 2016/17 £	Budget Changes £	Draft Net Direct Costs Budget 2017/18 £
Cabinet	2,4	3,974,760	278,130	4,252,890
Community	2,4,7	2,593,410	7,420	2,600,830
Economy	2,4	(922,960)	186,840	(736,120)
Environment	2,4	2,413,390	(185,340)	2,228,050
Housing	2,4	1,116,120	93,650	1,209,770
<b>TOTAL NET DIRECT COST OF SERVICES</b>		<b>9,174,720</b>	<b>380,700</b>	<b>9,555,420</b>
Net recharge to HRA	6	(1,265,490)	(11,000)	(1,276,490)
<b>NET COST OF SERVICES</b>		<b>7,909,230</b>	<b>369,700</b>	<b>8,278,930</b>
PWLB Bank loan interest payable		112,030	(5,110)	106,920
Finance Lease interest payable		34,000	2,760	36,760
Provision for the financing of capital spending		400,720	(2,350)	398,370
Interest from Funding provided for HRA		(54,000)	0	(54,000)
Interest Received on Investments	5	(171,000)	(38,000)	(209,000)
Revenue contribution to capital programme		0	0	0
New Homes Bonus		(1,831,460)	0	(1,831,460)
Transfers into earmarked reserves	3	2,745,770	(222,340)	2,523,430
Transfers from earmarked reserves	3	(575,780)	(6,810)	(582,590)
<b>TOTAL BUDGETED EXPENDITURE</b>		<b>8,569,510</b>	<b>97,850</b>	<b>8,667,360</b>
<b>Funded by:-</b>				
Revenue Support Grant		(1,017,260)	519,710	(497,550)
Rural Services Delivery Grant		(463,810)	89,300	(374,510)
Transition Grant		(31,630)	120	(31,510)
NNDR revenue		(2,055,890)	(9,320)	(2,065,210)
NNDR appeals		100,000	(50,000)	50,000
CTS Funding Parishes		55,250	(8,290)	46,960
Collection Fund Surplus		(8,230)	(44,630)	(52,860)
Council Tax - 27,707.03 x £192.15	1	(5,147,940)	(175,970)	(5,323,910)
<b>TOTAL FUNDING</b>		<b>(8,569,510)</b>	<b>320,920</b>	<b>(8,248,590)</b>
<b>REQUIREMENT TO BALANCE THE BUDGET</b>		<b>0</b>	<b>418,770</b>	<b>418,770</b>

**Current Assumptions :**

1. Council Tax has been increased by £5 as an illustration with an increased property growth of 200.
2. 2017/18 salary budgets include an increase of 1%.
3. All earmarked reserves have been reviewed and adjustment made based upon existing need.
4. All income flows have been reviewed and adjusted for changes in demand and unit price.
5. Investment income has been based upon the existing lending criteria now in force.
6. Support services have been inflated in accordance with the pay award.
7. No reductions to grant budgets have been made.
8. Car parking fees are based upon 2016/17 fees and vends.

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**2017/18 BUDGETS**

**Appendix 3**

**Transfers into Earmarked Reserves**

Page 47

SERVICE	MAINT 17/18 BUDGET	PLANT 17/18 BUDGET	EQUIPMENT 17/18 BUDGET	VEHICLES 17/18 BUDGET	OTHER 17/18	NEW HOMES BONUS	Market Walk /Fore Street Surplus	
CS500				1,440				
CS900			5,000					
CS902			2,500					
CS910			250					
CS932			5,000					
ES100	25,000							
ES450	25,000							
ES450				1,200				
ES580				4,320				
ES730				2,950				
GM960				38,050				
GM960		14,360						
IT800			9,700					
LD201					20,000			
LD300			5,000					
PS350				1,120				
PS980				7,400				
WS650				56,470				
WS700				213,980				
WS710				21,720				
WS725				158,810				
WS725			20,000					
WS770	2,700							
							50,000.00	
NHB						1,831,460.00		
<b>TOTAL</b>	<b>52,700.00</b>	<b>14,360.00</b>	<b>47,450.00</b>	<b>507,460.00</b>	<b>20,000.00</b>	<b>1,831,460.00</b>	<b>50,000.00</b>	<b>2,523,430.00</b>
<b>2016/17</b>	<b>80,000.00</b>	<b>14,360.00</b>	<b>46,640.00</b>	<b>550,900.00</b>	<b>20,000.00</b>	<b>1,831,460.00</b>	<b>202,410.00</b>	<b>2,745,770.00</b>
<b>Movement</b>	<b>(27,300)</b>	<b>-</b>	<b>810</b>	<b>(43,440)</b>	<b>-</b>	<b>-</b>	<b>(152,410)</b>	<b>(222,340)</b>

**2017/18 BUDGETS**

**Appendix 4**

**Transfers from Earmarked Reserves**

SERVICE	UTILISE NHB	OTHER	
CD200	(45,000)		
CS938	(23,180)		
LD600	(16,180)		
PR200	(294,000)		
PR400	(21,730)		
PR400	(40,700)		
PR400	(100,000)		
ES361		(19,700)	
EQ638		(4,170)	
EQ640		(1,950)	
EQ641		(1,630)	
EQ642		(4,620)	
EQ643		(6,650)	
EQ644		(3,080)	
<b>TOTAL</b>	<b>(540,790)</b>	<b>(41,800)</b>	<b>(582,590)</b>

2016/17 (325,780) (250,000) (575,780)

Movement (215,010) 208,200 (6,810)



**Provisional 2017-18 Budgeted Capital Programme**

**Appendix 5**

£k

**Estates Management**

**Exe Valley Leisure Centre**

Exe Valley Leisure Centre - Replenish sand filters

25

**Culm Valley sports centre**

CVSC replace end of life AC for fitness Gym

30

**Total** **55**

**Other MDDC Buildings**

**Pannier Market**

Pannier Market- Improvement Project back log maintenance

60

**MDDC Shops/Industrial Units**

Energy Assessment works - new legislation - Indust Units/Shops/Mkt Walk

50

**Play Areas**

Play area refurbishment District wide - Amory Park Tiverton

50

**Other Projects**

Crediton Office - Structural improvement work

30

**General Fund Development Schemes**

Rear of Town Hall development site (6 Houses, 24 Apartments)

5,114

**Total** **5,304**

**Economic Development Schemes**

Tiverton Pannier Market awnings & canopy

150

Harlequin Valley Project

200

Tiverton Town Centre improvements

40

**Total** **390**

**ICT Projects**

Replacement PC estate

Unified Comms/telephony

107

Digital Transformation replacement of CRM

50

Secure Wifi replacement

50

Parking System Replacement

40

Replacement Queue System

30

Core System Refreshes - Revs/Bens

20

Replacement Estates/Property Systems

50

**Total** **347**

[Affordable Housing Projects](#)

Grants to housing associations to provide houses (covered by Commuted Sums) 115  
Affordable Housing Initiative

**Total 115**

[Private Sector Housing Grants](#)

Empty homes and enforcement 104  
Disabled Facilities Grants–P/Sector 490

**Total 594**

[Street Cleansing](#)

Medium Sweeper (Street Cleansing) 70

[Grounds Maintenance](#)

Van Tipper 26  
Ransomes Mower 35

**Total 131**

**TOTAL GF PROJECTS 6,936**

[HRA Projects](#)

[Existing Housing Stock](#)

Major repairs to Housing Stock 2,275  
Renewable Energy Fund 100  
Disabled Facilities Grants - Council Houses 299

[Housing Development Schemes](#)

Land Banking for Affordable Housing 2,100

[HRA ICT Projects](#)

Repairs - mobile replacement (HRA) 30  
Tenancy Mobile (HRA) 40

**Total 4,844**

[HRA Replacement Vehicles](#)

Van Tipper 4.5T (Responsive Repairs) 32

**Total 32**

**TOTAL HRA PROJECTS 4,876**

**GRAND TOTAL GF + HRA 11,812**

[MDDC Funding Summary](#)

[EXISTING FUNDS](#)

	2017-18 £k
Capital Grants Unapplied Reserve	605
Capital Receipts Reserve	1,091
Earmarked Reserves	2484
Miscellaneous Funding	2,518
<b>Subtotal</b>	<b>6,698</b>

[NEW FUNDS](#)

Borrowing	5,114
Revenue Contributions	0
<b>Subtotal</b>	<b>5,114</b>

**TOTAL FUNDING 11,812**

## MANAGING THE ENVIRONMENT

8<sup>TH</sup> NOVEMBER 2016:

### Update on New Collection Scheme for the Waste and Recycling Service

**Cabinet Member** Cllr Karl Busch

**Responsible Officer** Stuart Noyce - Waste & Transport Manager

**Reason for Report:** To receive an update on performance of the new recycling scheme during the first year of operation.

### RECOMMENDATION(S):

- 1) The PDG is asked to consider a report detailing the performance of the household recycling service following the changes in collection arrangements.
- 2) That the two motions submitted are considered and discussed.

**Relationship to Corporate Plan:** Maintaining front line services in the face of the ongoing funding cuts requires the redesign of services to enable them to continue to be affordable. The Council is committed to delivering a high quality waste service, at the lowest operational cost, whilst increasing overall recycling levels and reducing aggregate tonnages of waste going to landfill.

**Financial Implications:** None as this is an information report on performance.

**Legal Implications:** This report is for information only.

**Risk Assessment:** This report is for information only.

### 1.0 Introduction

- 1.1. At the Managing the Environment PDG meetings on the 18<sup>th</sup> November 2014 and 9<sup>th</sup> June 2015, a list of recommendations were made to the Cabinet regarding the future waste collection scheme which were adopted.
- 1.2. The new scheme adopted included two phases to the roll out. The first phase included the delivery of a 55 litre green box to all households for the collection of mixed cardboard and cartons and the inclusion of mixed plastic (excluding film) from the existing black box.
- 1.3. The second phase included the delivery of a 23 litre blue caddy to all households for the weekly collection of food waste, the introduction of fortnightly chargeable garden waste, and the change in rural areas to fortnightly residual waste collections from weekly.
- 1.4. All households received the containers and the scheme was fully rolled out by February 2016.
- 1.5. This report is an update on the performance of the new scheme during its first year of operation since the phased roll out to all households during 2015/16.

1.6. This report also sets out the performance for the same months the previous year for comparison.

## **2.0 Performance**

2.1 Some figures shown have yet to be verified by Devon County Council and Waste Data Flow.

2.2 All figures contained within this report relate to the tonnages of materials gathered via household collections only. The figures gathered for the scheme have been compared to those gathered for corresponding months in the previous years. The recycling material is weighed when it leaves the depot and therefore the material tonnage does not always reflect the month it was collected.

2.3 Tables 1 show the last two years of tonnage for each recycling material for comparison. As can be seen the new scheme shows increases in the recycling tonnages collected. The additional tonnage generates additional income from the sale of the mixed recyclate and increased payments from Devon County Council in the form of recycling credit payments.

2.4 Tables 2 do show an increase in recycling rate with Mid Devon achieving highest the increase in recycling performance in Devon for 2015/16 .Figures should be monitored over a longer period to give a true picture. However, the first year's tonnages show an increase in recycling and a reduction in residual waste both are a positive outcome.

2.5 The number of garden waste subscribers currently stands at 8,400 which is on target for Q2 in 16/17. This does not include customers who are using the sack scheme which has generated £11,500 in 2016/17 thus far. The original target to be achieved by the end of 16/17 is 10,000 customers which was based on the original £500,000 annual income target. The number of customers will continue to be monitored and reported.

## **3.0 Devon County Council**

3.1 Following long negotiations with the Disposal Authority (Devon County Council) which Mid Devon have led on the behalf of the collection authorities to develop a ten year Partnership Agreement which the cabinet agreed to enter into on the 29<sup>th</sup> September.

3.2 The Partnership Agreement (PA) has the potential to yield savings of circa £200k per annum and enable long term certainty for both Mid Devon and Devon County Council in both its waste collection and disposal operations. This PA which each Collection Authority will enter into individually will see both parties financially benefit from any changes to baseline service provision as at 2014/15 which delivers reductions in waste treatment and disposal.

- 3.3 The acquisition of our new Carlu Close depot has also given the Council the opportunity to consider additional shared working possibilities in the form of a transfer station with DCC for mutual benefit.
- 3.4 Having waste transfer facilities at Carlu Close, will ensure that the Council has greater control/flexibility with regard to waste direction/disposal points, which will enable officers to minimise potential financial exposure of onward disposal costs. These proposals are subject to planning permission being granted and a waste site licence being obtained from the Environment Agency.
- 3.5 The transfer station for residual waste will mean that before the Broadpath landfill site closes a new disposal route can be secured. The material bulked at Carlu Close will be transported daily to the Energy from Waste Plant in Exeter. This will push the residual waste up the waste hierarchy from disposal to recovery which benefits the environment.
- 3.6 The transfer station for food and garden waste will allow for the separate treatment of the two streams of material and reduce the cost of treatment. This again will be shared with MDDC through the PA.
- 3.7 Both facilities will assist in making collection rounds more efficient by having the disposal site for rounds at the same place as the vehicles are parked.

#### 4.0 **Motion 528 (Councillor P J Heal - 10 August 2016)**

- 4.1 The Council has before it a **MOTION** submitted for the first time.

That the council investigates the provision of an elasticated net system for use on recycling boxes to prevent light materials such as plastics and cardboard being blown out and causing litter.

In accordance with Procedure Rule 14.4, the Chairman of the Council has decided that this Motion (if moved and seconded) will be referred without discussion to the Managing the Environment Policy Development Group.

- 4.2 The cost of such nets are £0.95 plus delivery. There would also be a requirement to budget for replacement nets as they need replacing. The initial cost is estimated to be around £68,250 with ongoing budget requirement of £6,650 for replacements.
- 4.3 These nets are not considered necessary as the black boxes are already supplied with lids and the boxes are designed so they can be stacked. The use of the nets are likely to slow collection crews down and are known to also blow away after collection and therefore the replacement costs could be even higher than estimated.

#### 5.0 **Motion 529 (Councillor Mrs C A Collis - 17 August 2016)**

- 5.1 The Council has before it a **MOTION** submitted for the first time.

That the Council investigates joint working with other Councils to recycle soft plastics such as polythene and film and to avoid putting these non-degradable items into landfill. This will benefit the environment for future generations and expand on the recycling that Mid Devon is already doing so well.

In accordance with Procedure Rule 14.4, the Chairman of the Council has decided that this Motion (if moved and seconded) will be referred without discussion to the Managing the Environment Policy Development Group.

- 5.2 The Council already works with all Devon authorities for the joint selling of paper, glass and textiles. MDDC also works with Exeter City Council for the joint selling of cardboard and mixed plastic.
- 5.3 There are well established markets for the materials we currently recycle which ensures that a good income rate is secured and the moving of products is timely. The selling of polythene and film is often problematic and could reduce the value of the material we already collected when mixed in. The recycling market for this material will continue to be monitored and if economically prudent be bought back to the PDG to consider.
- 5.4 If all the materials which are currently collected for recycling and composting in the new scheme were placed in the correct container the Council would have a recycling rate of over 85%. It is perhaps more important that the Council concentrates on ensuring the existing materials are recycled rather than add on other materials which due to their low weight are unlikely to effect the recycling rate dramatically.

## **6.0 Conclusion**

- 6.1 Although this report shows only the first year of the new scheme it shows a positive uptake in the recycling of the new materials by households but also an increase in all dry recycling. It also shows a corresponding reduction in residual waste.
- 6.2 As one of the highest profile services to the public that the Council delivers we will provide further six monthly updates to the PDG in order to inform how these new changes continue to perform.

**Contact for more Information:** Stuart Noyce, Waste & Transport Manager (01884 244635 [snoyce@middevon.gov.uk](mailto:snoyce@middevon.gov.uk))

**Circulation of the Report:** Cllrs, Management Team

**Table 1 - Recycling Tonnages For Last Two Years**

Month	2014/15 Qtr 3				2014/15 Qtr 4				2015/16 Qtr 1				2015/16 Qtr 2			
	Oct	Nov	Dec	Q3 Total	Jan	Feb	Mar	Q4 Total	Apr	May	June	Q1 Total	July	Aug	Sep	Q2 Total
Card													52.3	49.5	101.2	203
Plastic	13.3	0.0	13.7	27	15.0	0.0	26.4	41	0.0	3.8	14.4	18	14.2	57.8	30.8	103
Tins/ Foil	37.5	1.6	38.8	78	26.3	23.2	41.7	91	3.0	0.0	22.2	25	35.9	19.5	10.6	66
Glass	131.7	170.8	93.8	396	255.0	140.3	106.5	502	212.5	122.5	159.1	494	180.0	153.0	156.3	489
Textiles	5.2	2.6	2.7	11	3.9	1.9	2.9	9	5.1	0.0	4.5	10	8.1	5.6	6.7	20
Paper	176.6	152.5	150.0	479	128.4	100.6	205.7	435	145.7	98.7	147.9	392	149.2	114.0	178.9	422
<b>Total</b>	<b>364</b>	<b>328</b>	<b>299</b>	<b>991</b>	<b>429</b>	<b>266</b>	<b>383</b>	<b>1078</b>	<b>366.2</b>	<b>224.9</b>	<b>348.1</b>	<b>939</b>	<b>439.7</b>	<b>399.4</b>	<b>484.5</b>	<b>1324</b>

Month	2015/16 Qtr 3				2015/16 Qtr 4				2016/17 Qtr 1				2016/17 Qtr 2			
	Oct	Nov	Dec	Q3 Total	Jan	Feb	Mar	Q4 Total	Apr	May	June	Q1 Total	July	Aug	Sept	Q2 Total
Card	92.8	90.3	118.4	302	195.7	159.1	91.9	447	114.7	90.5	108.5	314	93.6	213.0	100.0*	407
Plastic	45.7	48.7	32.1	127	68.7	27.0	40.1	136	67.5	63.1	47.6	178	51.3	55.4	67.9	175
Tins/ Foil	20.1	34.1	9.4	64	21.8	54.6	45.6	122	19.7	48.8	10.5	79	0.0	31.1	15.0*	46
Glass	153.9	158.7	91.3	404	307.9	140.5	160.6	609	156.0	194.4	146.5	497	156.0	213.0	167.7	537
Textiles	2.4	6.3	5.8	15	5.3	4.6	5.1	15	5.2	5.8	6.2	17	4.6	6.7	5.06*	16
Paper	119.5	168.6	169.0	457	127.9	180.6	104.4	413	148.6	143.4	120.7	413	116.2	121.8	126.0	364
<b>Total</b>	<b>435</b>	<b>507</b>	<b>426</b>	<b>1367</b>	<b>727</b>	<b>566</b>	<b>448</b>	<b>1742</b>	<b>512</b>	<b>546</b>	<b>494</b>	<b>1498</b>	<b>422</b>	<b>550</b>	<b>482</b>	<b>1544</b>

\* estimated

*italics Not verified by Waste Data Flow*

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**Table 2 - Recycling Performance For Last Two Years**

Month	2014/15 Qtr 3				2014/15 Qtr 4				2015/16 Qtr 1				2015/16 Qtr 2			
	Oct	Nov	Dec	Q3 Total	Jan	Feb	Mar	Q4 Total	Apr	May	June	Q1 Total	July	Aug	Sep	Q2 Total
Food/ Garden	735.5	665.5	824.7	<b>2226</b>	715.6	488.0	730.3	<b>1934</b>	876.6	869.3	842.6	<b>2589</b>	963.2	706.0	1319	<b>2989</b>
HH Waste Recycled	1188.8	1033.1	1244.9	<b>3467</b>	1172.3	807.0	1234.7	<b>3214</b>	1334.5	1204.8	1561.0	<b>4100</b>	1439.0	1137.6	1856	<b>4432</b>
HH Residual Waste	1559.4	1339.3	1434.5	<b>4333</b>	1402.4	1204.3	1334.5	<b>3941</b>	1454.3	1376.4	1237.1	<b>4068</b>	1296.1	1151.1	1300	<b>3747</b>
Dry Recycling Rate %	16.5	15.5	15.7	<b>15.9</b>	17.7	15.9	19.6	<b>17.7</b>	<b>16.4</b>	<b>14.5</b>	<b>15.5</b>	<b>14.8</b>	17.4	18.8	16.5	<b>17.6</b>
<b>Recycling Rate %</b>	<b>43.3</b>	<b>43.5</b>	<b>46.5</b>	<b>44.4</b>	<b>45.5</b>	<b>40.1</b>	<b>48.1</b>	<b>44.6</b>	47.9	46.7	55.8	50.2	52.6	49.5	58.8	54.2

Month	2015/16 Qtr 3				2015/16 Qtr 4				2016/17 Qtr 1				2016/17 Qtr 2			
	Oct	Nov	Dec	Q3 Total	Jan	Feb	Mar	Q4 Total	Apr	May	June	Q1 Total	July	Aug	Sept	Q2 Total
Food/ Garden	728.5	524.0	671.5	<b>1924</b>	204.5	176.9	261.6	<b>643</b>	367.6	434.0	496.5	<b>1298</b>	454.7	362.5	475.0	<b>1292</b>
Food			159.9	<b>160</b>	213.6	197.5	192.3	<b>603</b>	186.2	194.1	236.3	<b>617</b>	188.8	208.4	206.3	<b>604</b>
Leaf Sweeping									162.0	203.4	107.8	<b>473</b>	102.1	119.5	89.9	<b>312</b>
HH Waste Recycled	1195.3	1054.3	1125.9	<b>3376</b>	1264.7	1021.5	1018.4	<b>3305</b>	1248.5	1395.3	1573.8	<b>4218</b>	1219.6	1417.0	1263.0	<b>3900</b>
HH Residual Waste	1309.2	1197.6	1089.3	<b>3596</b>	1283.8	933.9	1122.7	<b>3340</b>	1150.2	999.5	1253.2	<b>3403</b>	965.5	959.1	1144.5	<b>3069</b>
Dry Recycling Rate %	18.6	23.5	20.5	<b>20.9</b>	28.5	27.2	27.5	<b>26.6</b>	<b>22.0</b>	<b>23.9</b>	<b>19.0</b>	<b>21.3</b>	20.4	24.2	20.5	<b>22.1</b>
<b>Recycling Rate %</b>	<b>47.7</b>	<b>46.8</b>	<b>50.8</b>	<b>48.4</b>	<b>49.7</b>	<b>51.7</b>	<b>47.2</b>	<b>49.9</b>	52.1	58.3	55.7	55.4	55.8	59.6	52.5	56.0

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