

Public Document Pack

Mid Devon District Council

Homes Policy Development Group

Tuesday, 15 November 2016 at 2.15 pm
Exe Room, Phoenix House, Tiverton

Next ordinary meeting
Tuesday, 17 January 2017 at 2.15 pm

Those attending are advised that this meeting will be recorded

Membership

Cllr Mrs E M Andrews
Cllr Mrs H Bainbridge
Cllr D R Coren
Cllr W J Daw
Cllr Mrs G Doe
Cllr R J Dolley
Cllr P J Heal (Chairman)
Cllr F W Letch
Cllr J D Squire

A G E N D A

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

1 Apologies and Substitute Members

To receive any apologies for absence and notice of appointment of substitutes.

2 Public Question Time

To receive any questions relating to items on the Agenda from members of the public and replies thereto.

3 Minutes (Pages 5 - 10)

To approve as a correct record the minutes of the meeting held on 13 September 2016 (copy attached).

4 Chairman's Announcements

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

5 **Council Motion - Housing Syrian refugees**

Following Council approval to support Motion no. 527 the Group will receive a presentation from the Housing Options Manager regarding the Syrian Vulnerable Person's Scheme. This will be followed by a discussion as to the most appropriate course of action for the Council to now take.

6 **Financial Monitoring - for the 6 months to September 2016** *(Pages 11 - 28)*

To receive a report from the Director of Finance, Assets & Resources presenting a financial update in respect of the income and expenditure so far in the year.

7 **Draft 2017/18 General Fund and Capital Budgets** *(Pages 29 - 64)*

To receive a report from the Director of Finance, Assets & Resources considering the 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 **HRA Medium Term Financial Strategy** *(Pages 65 - 72)*

To receive a report from the Director of Finance, Assets & Resources providing an estimate of the budget required for the operation of the Housing Revenue Account (HRA) from 2017/18 – 2020/21.

9 **Draft 2017/18 Housing Revenue Account (HRA) Budget** *(Pages 73 - 84)*

To receive a report from the Director of Finance, Assets & Resources considering the options available in order for the Council to set a balanced budget for 2017/18 and agree a future strategy for further budgetary planning for 2018/19 onwards.

10 **Performance and Risk for the second quarter of 2016/17** *(Pages 85 - 96)*

To receive a report from the Director of Corporate Affairs and Business Transformation providing Members with an update on performance against the Corporate Plan and local service targets for the first quarter of 2016/17 as well as providing an update on the key business risks.

Please note: If Members have questions regarding this report please submit them to the clerk in advance of the meeting so that the appropriate officer can be asked to attend or provide a written response.

11 Verbal update on the 'Decent Homes' standard

To receive a verbal update from the Building Services Manager regarding the 'Decent Home Standard' and how the Council was performing in relation to this.

12 Identification of items for the next meeting

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

- Decant policy
- HRA budget
- Tenancy Strategy
- Tenancy policy
- Income Management policy
- Community Alarm policy
- Financial Monitoring

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

Stephen Walford
Chief Executive
Monday, 7 November 2016

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

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

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

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

Tel: 01884 234310

Mail: slees@middevon.gov.uk

MID DEVON DISTRICT COUNCIL

MINUTES of a **MEETING** of the **HOMES POLICY DEVELOPMENT GROUP** held on 13 September 2016 at 2.15 pm

Present

Councillors

Mrs E M Andrews, Mrs H Bainbridge, D R Coren, W J Daw, Mrs G Doe, R J Dolley, P J Heal, J D Squire and L D Taylor

Also Present

Councillors

Mrs J B Binks, Mrs J Roach, R L Stanley and N A Way

Present

Officers

Nick Sanderson (Head of Housing and Property Services), Claire Fry (Housing Services Manager), Roderick Hewson (Principal Accountant), Mark Baglow (Building Services Manager), Michael Parker (Housing Options Manager), Angela Barrett (Accountant), Nicky Chandler (Auditor) and Sarah Lees (Member Services Officer)

28 **APOLOGIES AND SUBSTITUTE MEMBERS**

There were no apologies for absence.

29 **PUBLIC QUESTION TIME**

Mr Gerald Conyngham spoke in relation to item 5 on the agenda (Motion 527). He explained that he was attending the meeting as a representative of 'Welcoming Refugees in Crediton' organisation. He asked whether the Group were aware that there were offers of support within the Crediton community if Syrian refugees needed to be re-housed within the district. Twenty seven offers of help and support had been received with 17 of those offering a welcome in their homes and 6 offers of accommodation. He was aware of a local landlord who would have vacant properties ready for occupation by Christmas. He stated that his organisation also had strong links with 'Refugee Support Devon' and they were currently working very closely together. He asked whether Councillors could provide assurance that the Council could cooperate with his organisation to ensure that families who come here would receive the best possible welcome and support?

The Chairman indicated that today's meeting was about whether or not to support or reject the Motion in principle only. A recommendation from the Group following today's meeting would go back to full Council on 26 October 2016 with a further recommendation that it returned to the Group to discuss the detail in the near future.

30 **MINUTES**

The minutes of the meeting held on 19 July 2016 were confirmed as a true and accurate record and **SIGNED** by the Chairman.

31 CHAIRMAN'S ANNOUNCEMENTS

The Chairman had the following announcements to make:

- a) He reminded the Group that its name had now changed from the 'Decent and Affordable Homes Policy Development Group' to the 'Homes Policy Development Group'.
- b) He also reminded the Group that there would be a visit to Old Road to see the housing repairs section before the next meeting on 15 November 2016.

32 MOTION 527 (COUNCILLORS MRS J BINKS, MRS J ROACH, MRS N WOOLLATT AND R WRIGHT) (00:06:49)

At Council on 31 August 2016 the following Motion was referred to the Homes Policy Development Group for its consideration.

Motion 527 (Councillors Mrs J Binks, Mrs J Roach, Mrs N Woollatt and R Wright)

"That this Council supports the Syrian Vulnerable Persons Scheme as detailed below and commits to working with the private sector to achieve placements."

The proposers of the Motion had been invited to the meeting to speak to their Motion and made the following comments:

- Mr Conyngham had precisely expressed the depth of good feeling and desire to work sensibly with private landlords.
- The Queen Elizabeth Academy Trust were keen to involve young students and for them to gain work experience in this area.
- The local community had a record of working with refugees over the past 100 years and there had been a consistent outpouring of hospitality and welcoming through that time.
- This was a matter of humanity.
- The 'Welcoming Refugees in Crediton' group were a voluntary organisation that had managed to galvanise opinion in the area.
- This was an all party Motion and party politics would not feature in any voting decision.
- Other local authorities in the area seemed to be further along in the process of housing refugees.

A briefing paper * had been included with the agenda to provide background information to the issue and the following points from the briefing paper were reiterated:

- The 'Yorkshire Migration' document referred to within the paper provided an excellent template for the processes that would be expected.
- The key part of the paper had been the considerations towards the end which had presented the facts in relation to the practicalities involved.
- Other neighbouring local authorities had only just started to house refugees or were in the process of the preparatory work.

Discussion took place regarding:

- Ideally, housing should take place within the three towns or communities where there was significant infrastructure and support (such as being on a reliable bus route) otherwise rural isolation might become a factor.
- The number of refugee families being offered accommodation would depend on the number of private landlords coming forward. The Group were reminded that there were restrictions on the amount of rent that could be charged therefore some landlords may not be interested.
- Private landlords should be directed to the Housing Options Team who could provide relevant information.
- Groups from within the voluntary sector would also be interested in providing accommodation not just private landlords.

It was **RECOMMENDED** to Council that:

- a. This Council supports the Syrian Vulnerable Persons Scheme and commits to working with the private sector to achieve placements.
- b. Following Council approval, the details regarding the practicalities involved be brought back to the Homes Policy Development Group for further detailed consideration.

(Proposed by Cllr Mrs H Bainbridge and seconded by Cllr G Doe)

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

33 MEETING MANAGEMENT

The Chairman stated that he would like the order of the agenda to change slightly so that item 9 be taken after item 11.

34 FINANCIAL UPDATE FOR THE THREE MONTHS TO 30 JUNE 2016 (00:31:17)

The Group had before it, and **NOTED**, a report * from the Director of Finance, Assets and Resources presenting a financial update in respect of the income and expenditure so far in the year.

The Group were referred to the General Fund (GF) and Housing Revenue Account (HRA) balances where it was stated that the forecasted GF deficit for the current year was £202k. The HRA would start and end the financial year on a surplus of £2m.

Further details were provided relating to the following:

- Property Services was a new area for this Group to cover in terms of financial monitoring and there was currently a £2k overspend for the year so far.
- GF Housing had no variances.
- Dwelling rent was 0.4% ahead of where targeted and was forecasted to lead to a £48k variance by the end of the year which was good news.
- The HRA was showing £109k overspend which related to work carried over from the previous year due to under delivery. A corresponding underspend

had shown within the figures in the previous year. This was to do with the painting and repairs contract.

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

35 PERFORMANCE AND RISK FOR THE FIRST QUARTER OF 2016-17 (00:37:58)

The Group had before it, and **NOTED**, a report * from the Head of Communities and Governance providing it with an update on performance against the Corporate Plan and local service targets for the first quarter of 2016/17 as well as providing an update on the key business risks.

The variances within the report had officer notes beside them to provide explanation and the Group were content with this.

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

36 SERVICE STANDARDS REVIEW (00:39:25)

The Group had before it a report * from the Housing Services Manager reviewing the Service Standards for the housing service. It was explained that some minor changes had been made to the existing document to reflect what was shown in the regulatory framework. It was further explained that the policy previously stated that a review would be undertaken every two years but in the current climate the housing service would be looking to extend that period unless there was a very good reason to bring it back before Members.

RECOMMENDED to the Cabinet that the revised Service Standards be approved.

(Proposed by Cllr Mrs H Bainbridge and seconded by Cllr W J Daw)

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

37 INTRODUCTORY TENANCY POLICY (00:42:00)

The Group had before it a report * from the Housing Services Manager reviewing the Introductory Tenancy Policy. It was explained that the implications of the Housing and Planning Act would be quite profound and the group needed to bear that in mind. Changes in the legislation would provide the opportunity to increase the length of time somebody could have an Introductory Tenancy. The report set out the changes to the policy which also included changes to the authorisations needed. The number of officers available to sit on a panel should a tenant seek to appeal would be extended. Once officers had a firmer idea regarding the implications involved with the new legislation an updated policy would be brought before them outlining the options regarding future forms of tenure.

RECOMMENDED to the Cabinet that the revised Introductory Tenancy Policy be approved.

(Proposed by Cllr Mrs H Bainbridge and seconded by Cllr Mrs E Andrews)

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

38 PAY TO STAY (00:48:15)

The Group had before it a briefing paper * from the Housing Services Manager providing information in relation to the Governments' 'Pay to Stay' scheme.

It was explained that this seemed to be a popular policy with the public. The Government wanted to promote home ownership and if tenants had to pay more for rent they might consider alternative options. However, regulations were still awaited meaning that local authorities were unsure how to proceed at this stage.

Those with a joint household income of £31k or more would be expected to pay more rent. The DCLG was expecting 20% of those tenants not in receipt of Housing Benefit or Universal Credit to have to pay additional rent. In Mid Devon that equated to approximately 200 households, given that the Council had just over 3000 tenants and about 60% of those were in receipt of Housing Benefit. The Government was still expecting this policy to be implemented by April 2017 but there could be a delay. The delay in issuing the regulations seems to suggest that the implementation date may slip. The Council would be offered some financial support for administration but it was unclear at the current stage how this would operate and a shortfall in being able to cover costs was expected.

Further implications would mean that new policies would need to be written, for example, a Fraud Policy, as well as a re-write of some existing policies.

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

39 AIDS AND ADAPTATIONS POLICY (01:05:25)

The Group had before it a report * from the Building Services Manager reviewing the Aids and Adaptations Policy. It was explained that the revision to the policy contained only minor changes. Principally the revised document provided clarity to both officers and tenants. It included an update regarding tenants installing their own adaptations and who was responsible for repairs and maintenance. It also considered issues such as mobility scooters and who paid for what.

Discussion took place regarding the services of the repairs and maintenance team being offered to the private sector as a means of generating income for the Council. It was confirmed that the Council had undertaken approximately £100k of private sector work in the previous financial year but there were more commercial opportunities to be explored.

RECOMMENDED to the Cabinet that the revised Aids and Adaptations Policy be approved.

(Proposed by Cllr D R Coren and seconded by Cllr Mrs G Doe)

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

40 IDENTIFICATION OF ITEMS FOR THE NEXT MEETING

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

- Draft Budget for 2017/18
- The Syrian Refugee Motion (should Council approve the recommendation on 26 October 2016)
- A report on the 'Decent Home' situation – was the Council up to standard?

(The meeting ended at 3.30 pm)

CHAIRMAN

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:

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

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.

Description	Budget £'000	Forecast Outturn £'000	Variance £'000
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.

Description	Budget £'000	Forecast Outturn £'000	Variance £'000
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)
	3,325	306	(3,019)

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
Forecast Balance at 31 March 2017	(282)

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)
Current Balance	(2,465)
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	(2,135)

- 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
Total Interest Receivable	225	255	30

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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ajarrett@middevon.gov.uk

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	£	£	%
	Cllr C J Eginton				
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%
	Cllr K Busch				
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%
	Cllr C R Slade				
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%
	Cllr P H D Hare-Scott				
FP	Finance And Performance	K	680,960	0	0.0%
RB	Revenues And Benefits	L	266,600	(60,000)	-22.5%
	Cllr R L Stanley				
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%
	Cllr R J Chesterton				
CD	Community Development: Markets	I	(3,410)	30,000	879.8%
PR	Planning And Regeneration	N	741,670	256,908	34.6%
	Cllr M Squires				
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%
	All General Fund Services		9,174,720	468,580	5.1%
	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)	
	TOTAL BUDGETED EXPENDITURE		8,569,510	134,266	1.6%
	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	
	TOTAL BUDGETED FUNDING		(8,569,510)	0	0%
	Forecast in year (Surplus) / Deficit		0	134,266	
	General Fund Reserve 01/04/16			(2,211,035)	
	Forecast General Fund Balance 31/03/17			(2,076,769)	

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

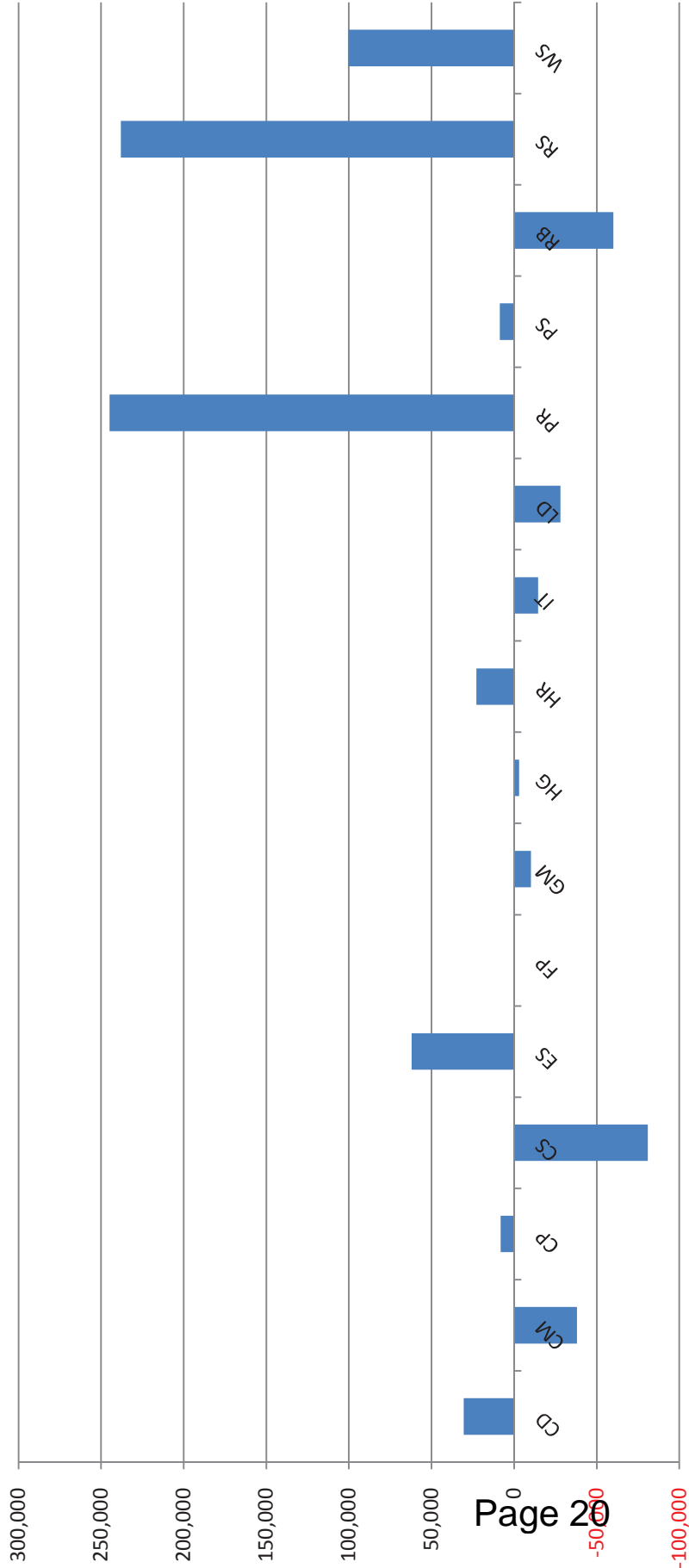
Note	Description of Major Movements				Full Year Forecast Variation (Net of Trf to EMR)	PDG
D	Environmental Services combined					
	Private Sector Housing salary underspend due to 0.5 FTE vacant posts (off-set against E/Health)				(6,800)	Homes
	Private Sector Housing grant repayments				(5,300)	Homes
					(12,100)	
G	Property Services					
	Refurbishment of the toilets at the Town Hall - funded from EMR (see below)				11,920	Homes
	Salary savings within Property Serv due to vacant posts for part of the year (part off-set by Agency overspend)				(22,000)	Homes
	Agency overspend in Property Services				11,500	Homes
	Sale of Land				(7,000)	Homes
	Overspend on professional fee for sale of surplus land				6,000	Homes
	Town Hall Maintenance overspend due to boilers replacement				7,560	Homes
	Rates & Service charge income from DWP				(8,000)	Homes
	Rates & Services charges paid on two vacant units in Market Walk				12,700	Homes
	Rental Income for Moorhayes community centre not budgeted for				(4,000)	Homes
					8,680	
M	General Fund Housing					
	Salary savings from maternity leave not being backfilled and element of team leader post now in Affordable Housing				(13,000)	Homes
	Increased spend on B&Bs due to number of Homelessness cases				10,000	Homes
					(3,000)	
	FORECAST (SURPLUS)/DEFICIT AS AT 31/03/17				(6,420)	

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

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)
CD	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)
CM	Corporate Management	
CP	Car Parks	
CS	Customer Services	
	Contribution towards digital strategy salaries	(37,030)
ES	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)
FP	Finance And Performance	
GM	Grounds Maintenance	
HG	General Fund Housing	
HR	Human Resources	
	Management Training 16/17	(30,000)
IT	IT Services	
	Aerial photography ear marked reserve released	(2,800)
LD	Legal & Democratic Services: Member/Election Services	
	Contribution towards additional staffing requirement	(14,180)
PR	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)
PS	Property Services	
	Town Hall Toilet refurbishment	(11,300)
	Market Walk Profit	202,410
	Release of Market Walk profit	(150,000)
RB	Revenues And Benefits	
RS	Recreation And Sport	
WS	Waste Services	
	New Homes Bonus monies earmarked for the new waste depot, move and fit out costs	(256,000)
Various	Sinking fund contributions for vehicles & plant	711,900
IE		
	New Homes Bonus monies earmarked for capital and economic regeneration projects	1,831,460
	Net Transfer to / (from) Earmarked Reserves	1,865,676
	Budgeted Net Transfer to Reserves	2,169,990
	Forecast Variance	(304,314)

2016/17 General Fund Projected Outturn Variance £



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

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

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%
	(6,122,850)	(2,929,676)	(2,602,579)	327,097	269,000	-4.4%
Pay and Display					Spaces	Bud Income pa per space
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
	(712,330)	(356,711)	(341,944)	14,767	1,272	(8,124)
Day Permits	(31,000)	(3,584)	(1,971)	1,613		
Allocated Space Permits	(26,040)	(1,791)	(1,770)	21		
Overnight Permits	(1,000)	(500)	0	500		
Day & Night Permits	0	0	(1,733)	(1,733)		
Market Walk Permits	(9,380)	(4,690)	(4,207)	483		
Other Income	(34,450)	(17,300)	(17,450)	(150)		
	(814,200)	(384,576)	(369,076)	15,500		
Standard Charge Notices (Off Street)	(28,000)	(14,000)	(21,120)	(7,120)	(9,000)	

	2016/17	2016/17	2016/17	2016/17
	Annual Budget	Profiled Budget	Actual	Variance
	£	£	£	£
Total Employee Costs				
General Fund				
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)
	11,539,150	5,769,575	5,573,668	(195,907)
Housing Revenue Account				
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)
	2,092,870	1,046,435	960,307	(86,128)
Total	13,632,020	6,816,010	6,533,975	(282,035)

	2016/17	2016/17	2016/17	2016/17
	Annual Budget	Profiled Budget	Actual	Variance
	£	£	£	£
Agency Staff				
General Fund				
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
	133,500	66,750	130,632	63,882
Housing Revenue Account				
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
	0	0	28,923	28,923
Total	133,500	66,750	159,555	92,805

**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	£	£	%
Income				
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%
Services				
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%
Accounting entries 'below the line'				
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%
		(2,242,740)	(30,000)	-1.3%
Net recharge to HRA		1,265,490		
Capital Charges		977,250		
Net Housing Revenue Account Budget		0		

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

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)
Forecast closing balance	(10,314)

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

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

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

Scheme	Notes	Budget £	Expenditure £	Variance £	Forecast (Underspend)/ Overspend £	Forecast Slippage to 17/18 £
<u>General Fund Projects</u>						
<u>Lords Meadow leisure centre</u>						
Main car park resurfacing		50,000	0	(50,000)		
<u>Exe Valley leisure centre</u>						
EVLC - Pressure set replacement Hot/Cold		35,000	0	(35,000)		
EVLC - Fitness extension - subject to business case *		22,000	0	(22,000)		
* Note £500k in 15/16 will be slipped to 16/17						
<u>Phoenix House</u>						
Phoenix House - Ground Floor changes - subject to business case		163,000	112,282	(50,718)		
<u>Pannier Market</u>						
Pannier Market - Pedestrian roof cover - subject to business case **		0	0	0		
** Note £110k in 15/16 will be slipped to 16/17						
Tiverton Pannier Market Pigpens		73,000	0	(73,000)		
Pannier Market Clock Tower		34,000	33,479	(521)	4,500	
<u>MSCP Improvements</u>						
MSCP improvements (refer to Matrix condition report)		50,000	0	(50,000)		
<u>Play Areas</u>						
Play area refurbishment - Wilcombe Tiverton		50,000	59,995	9,995		
Play area refurbishment - West Exe Recreation Ground Tiverton		50,000	0	(50,000)		
<u>Other Projects</u>						
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 £
<u>ICT Projects</u>						
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 NDL 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)		
<u>Replacement Vehicles - Grounds Maintenance</u>						
Iveco Tipper (or equivalent)		24,000	0	(24,000)		
<u>Replacement Vehicles - Refuse Collection</u>						
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)		
<u>Replacement Vehicles - Street Cleansing</u>						
3.5T Tipper		25,000	0	(25,000)		
3.5T Tipper		25,000	0	(25,000)		
		2,726,000	525,220	(2,200,780)	(114,500)	140,000
<u>Private Sector Housing Grants</u>						
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)		
		572,000	221,349	(350,651)	0	0
<u>Affordable Housing Projects</u>						
Grants to Housing Associations to provide units (funded by commuted sum)		100,000	12,495	(87,505)		
		100,000	12,495	(87,505)	0	0
Total General Fund Projects		3,398,000	759,064	-2,638,936	(114,500)	140,000

Scheme	Notes	Budget £	Expenditure £	Variance £	Forecast (Underspend)/ Overspend £	Forecast Slippage to 17/18 £
<u>HRA Projects</u>						
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)		
Total HRA Projects		7,185,250	6,351,233	(834,017)	(245,000)	0
CAPITAL PROGRAMME GRAND TOTAL SPEND		10,583,250	7,110,297	(3,472,953)	(359,500)	140,000

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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

Variances	Amount £k
<i>External items outside of our control</i>	
Reduced formula grant settlement	609
Decrease in Housing Benefit Grant	25
Pay award	100
Pension provision	35
Price inflation	50
New Apprenticeship Levy	40
<i>Subtotal</i>	859
<i>Other changes</i>	
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
Draft budget gap for 2017/18	419

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)

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
TOTAL NET DIRECT COST OF SERVICES		9,174,720	380,700	9,555,420
Net recharge to HRA	6	(1,265,490)	(11,000)	(1,276,490)
NET COST OF SERVICES		7,909,230	369,700	8,278,930
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)
TOTAL BUDGETED EXPENDITURE		8,569,510	97,850	8,667,360
Funded by:-				
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)
TOTAL FUNDING		(8,569,510)	320,920	(8,248,590)
REQUIREMENT TO BALANCE THE BUDGET		0	418,770	418,770

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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PDG SERVICE UNIT MOVEMENTS

Appendix 2

GENERAL FUND SUMMARY			FTE	Budget Net Direct Cost	Impact of 10% savings	Impact of 20% savings	FTE	Current Budgeted Net Direct Cost	Movement	+/- %
		Notes	2016/17	2016/17	2016/17	2016/17	2017/18	2017/18	2017/18	2017/18
	Cabinet									
SCM01	Leadership Team		2.0	165,450	16,545	33,090	5.0	448,430	282,980	171.0%
SCM03	Corporate Fees/Charges		0.1	149,120	14,912	29,824	0.0	202,310	53,190	35.7%
SCM06	Pension Backfunding		0.0	825,010	82,501	165,002	0.0	860,010	35,000	4.2%
SFP01	Accountancy Services		8.5	414,750	41,475	82,950	7.5	337,860	(76,890)	-18.5%
SFP02	Internal Audit		2.7	100,770	10,077	20,154	2.7	101,700	930	0.9%
SFP03	Procurement		2.5	75,880	7,588	15,176	2.5	77,390	1,510	2.0%
SFP04	Purchase Ledger		1.5	46,360	4,636	9,272	1.5	45,480	(880)	-1.9%
SFP05	Sales Ledger		1.5	43,200	4,320	8,640	1.5	44,580	1,380	3.2%
SHR01	Human Resources		6.8	275,980	27,598	55,196	6.4	249,820	(26,160)	-9.5%
SHR02	Mddc Staff Training		0.0	95,400	9,540	19,080	0.0	96,880	1,480	1.6%
SHR03	Payroll		1.9	62,630	6,263	12,526	1.7	57,020	(5,610)	-9.0%
SHR04	Learning And Development		1.4	45,300	4,530	9,060	2.4	62,640	17,340	38.3%
SIT01	It Gazetteer Management		2.0	64,820	6,482	12,964	2.0	65,080	260	0.4%
SIT03	It Information Technology		12.7	814,490	81,449	162,898	12.7	800,320	(14,170)	-1.7%
SLD01	Electoral Registration		4.0	155,710	15,571	31,142	4.0	126,740	(28,970)	-18.6%
SLD02	Democratic Rep And Management		2.8	424,160	42,416	84,832	2.8	439,180	15,020	3.5%
SLD04	Legal Services		5.5	215,730	21,573	43,146	5.8	237,450	21,720	10.1%
			55.9	3,974,760	397,476	794,952	58	4,252,890	278,130	7.0%
	Community PDG									
SCD01	Community Development		5.0	414,980	41,498	82,996	0.0	98,700	(316,280)	-76.2%
SCS20	Customer Services Admin		4.0	108,040	10,804	21,608	4.0	108,030	(10)	0.0%
SCS22	Customer First		24.2	752,020	75,202	150,404	22.7	682,530	(69,490)	-9.2%
SES04	Public Health		0.0	22,640	2,264	4,528	1.0	44,370	21,730	96.0%
SES16	Es Staff Units/Recharges		15.0	557,070	55,707	111,414	15.5	593,750	36,680	6.6%
SES17	Community Safety		1.5	53,970	5,397	10,794	1.4	57,890	3,920	7.3%
SES18	Food Safety		0.0	(4,650)	(465)	(930)	0.0	(12,530)	(7,880)	169.5%
SES21	Licensing		3.0	(12,430)	(1,243)	(2,486)	3.0	(15,470)	(3,040)	24.5%
SES22	Pest Control		0.0	4,000	400	800	0.0	4,000	0	0.0%
SES23	Pollution Reduction		0.0	4,230	423	846	0.0	4,240	10	0.2%
SPR01	Building Regulations		5.6	(2,060)	(206)	(412)	6.1	(5,330)	(3,270)	158.7%
SPR02	Enforcement		2.5	96,500	9,650	19,300	2.5	102,170	5,670	5.9%
SPR03	Development Control		22.7	142,100	14,210	28,420	24.3	161,010	18,910	13.3%
SPR04	Local Land Charges		1.6	(24,600)	(2,460)	(4,920)	1.6	(33,010)	(8,410)	34.2%
SPR09	Forward Planning		6.5	205,210	20,521	41,042	5.5	199,290	(5,920)	-2.9%
SPR11	Regional Planning		0.0	92,200	9,220	18,440	0.0	318,340	226,140	245.3%
SRB01	Collection Of Council Tax		9.3	234,950	23,495	46,990	8.3	227,600	(7,350)	-3.1%
SRB02	Collection Of Business Rates		1.0	(74,290)	(7,429)	(14,858)	1.0	(76,180)	(1,890)	2.5%
SRB03	Housing Benefit Admin & Fraud		11.9	118,030	11,803	23,606	11.4	139,530	21,500	18.2%
SRB04	Housing Benefit Subsidy		0.0	(75,000)	(7,500)	(15,000)	0.0	(75,000)	0	0.0%
SRB06	Debt Recovery		1.9	62,910	6,291	12,582	2.9	94,380	31,470	50.0%
SRS01	Recreation And Sport		57.2	(82,410)	(8,241)	(16,482)	57.6	(17,480)	64,930	-78.8%
			172.9	2,593,410	259,341	518,682	169	2,600,830	7,420	0.3%
	Economy PDG									
SCD02	Economic Development - Markets		2.0	(3,410)	(341)	(682)	2.2	420	3,830	-112.3%
SCP01	Parking Services		0.0	(616,390)	(61,639)	(123,278)	0.0	(592,390)	24,000	-3.9%
SES03	Community Safety - C.C.T.V.		0.2	3,030	303	606	0.2	3,060	30	1.0%
SPR06	Economic Development		2.5	207,720	20,772	41,544	5.3	415,970	208,250	100.3%
SPS12	GF Properties Shops / Flats		0.0	(513,910)	(51,391)	(102,782)	0.0	(563,180)	(49,270)	9.6%
			4.7	(922,960)	(92,296)	(184,592)	8	(736,120)	186,840	-20.2%
	Environment PDG									
SES02	Cemeteries		1.5	(47,610)	(4,761)	(9,522)	1.5	(34,850)	12,760	-26.8%
SES05	Open Spaces		1.2	54,800	5,480	10,960	1.2	82,410	27,610	50.4%
SGM01	Grounds Maintenance		20.0	562,130	56,213	112,426	20.0	560,950	(1,180)	-0.2%
SPS03	Flood Defence And Land Drain		0.0	26,430	2,643	5,286	0.0	26,430	0	0.0%
SPS04	Street Naming & Numbering		0.2	7,910	791	1,582	0.2	7,220	(690)	-8.7%
SPS07	Public Transport		0.0	(15,080)	(1,508)	(3,016)	0.0	(15,110)	(30)	0.2%
SPS11	Public Conveniences		1.3	49,300	4,930	9,860	1.3	43,230	(6,070)	-12.3%
SWS01	Street Cleansing		7.4	322,770	32,277	64,554	7.4	334,720	11,950	3.7%
SWS02	Waste Collection		29.6	546,720	54,672	109,344	30.6	352,880	(193,840)	-35.5%
SWS03	Recycling		30.8	730,150	73,015	146,030	30.8	699,380	(30,770)	-4.2%
SWS04	Waste Management		5.7	175,870	17,587	35,174	4.7	170,790	(5,080)	-2.9%
			97.7	2,413,390	241,339	482,678	98	2,228,050	(185,340)	-7.7%
	Housing PDG									
SES15	Private Sector Housing Grants		4.6	165,720	16,572	33,144	4.1	163,900	(1,820)	-1.1%
SHG03	Homelessness Accommodation		6.5	232,470	23,247	46,494	7.4	271,340	38,870	16.7%
SPS05	Administration Buildings		0.0	260,260	26,026	52,052	0.0	271,090	10,830	4.2%
SPS06	Mddc Depots		0.0	57,960	5,796	11,592	0.0	62,680	4,720	8.1%
SPS08	Office Building Cleaning		3.1	59,880	5,988	11,976	3.0	59,750	(130)	-0.2%
SPS09	Property Services Staff Unit		10.9	339,830	33,983	67,966	10.9	381,010	41,180	12.1%
			25.1	1,116,120	111,612	223,224	25.4	1,209,770	93,650	0.4
	GRAND TOTAL		356.3	9,174,720	917,472	1,834,944	358.1	9,555,420	380,700	0.2
	Net recharge to HRA			(1,265,490)				(1,276,490)	(11,000)	0.9%
	PWLB Bank Loan Interest Payable			112,030				106,920	(5,110)	-4.6%
	Finance Lease Interest Payable			34,000				36,760	2,760	8.1%
	Provision for the Financing of Capital Spending			400,720				398,370	(2,350)	-0.6%
	Interest Received on Investments			(171,000)				(209,000)	(38,000)	22.2%
	Interest from Funding provided for HRA			(54,000)				(54,000)	0	0.0%
	Revenue Contribution to Capital Programme			0				0	0	#DIV/0!
	New Homes Bonus			(1,831,460)				(1,831,460)	0	0.0%
	Transfers into Earmarked Reserves	APP 3		2,745,770				2,523,430	(222,340)	-8.1%
	Transfers from Earmarked Reserves	APP 4		(575,780)				(582,590)	(6,810)	1.2%
	Funded by:-									
	Revenue Support Grant			(1,017,260)				(497,550)	519,710	-51.1%
	Rural Services Delivery Grant			(463,810)				(374,510)	89,300	-19.3%
	Transitional Grant			(31,630)				(31,510)	120	-0.4%
	NNDR			(2,055,890)				(2,065,210)	(9,320)	0.5%
	NNDR Appeals			100,000				50,000	(50,000)	-50.0%
	CTS Funding Parishes			55,250				46,960	(8,290)	-15.0%
	Collection Fund Surplus			(8,230)				(52,860)	(44,630)	542.3%
	Council Tax (27,707.03 x £192.15)			(5,147,940)				(5,323,910)	(175,970)	3.4%
	Total Budget			0				418,770	418,770	#DIV/0!
	Projected Budget Overspend 2016/17			296,892						
	GF Balance B/F			(2,211,036)				(1,914,144)		
	GF Balance C/F			(1,914,144)				(1,495,374)		

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HOUSING PDG 2017/18 Service Unit Budgets

Appendix 2A

Summary of PDG

Service Unit	Description	2015/16 Actual	2016/17 Budget	2017/18 Budget	Movement
General Fund Housing					
SES15 Private Sector Housing Grants	Private Sector Housing Grants	(112,298)	165,720	163,900	(1,820)
SHG03 Homelessness Accommodation	Homelessness Accommodation	192,638	232,470	271,340	38,870
SPS05 Administration Buildings	Administration Buildings	272,458	260,260	271,090	10,830
SPS06 Mddc Depots	Mddc Depots	70,842	57,960	62,680	4,720
SPS08 Office Building Cleaning	Office Building Cleaning	66,610	59,880	59,750	(130)
SPS09 Property Services Staff Unit	Property Services Staff Unit	260,300	339,830	381,010	41,180
	GF TOTAL	750,551	1,116,120	1,209,770	93,650
Housing Revenue Account					
SHO01 Dwelling Rents Inc	Dwelling Rents Inc	(12,779,940)	(12,593,760)	(12,368,590)	225,170
SHO04 Non Dwelling Rents Inc	Non Dwelling Rents Inc	(549,947)	(554,070)	(571,420)	(17,350)
SHO06 Tenant'S Ch For Services	Tenant'S Ch For Services	(46,313)	(42,360)	(350)	42,010
SHO07 Leaseholders' Ch For Serv	Leaseholders' Ch For Serv	(21,952)	(23,540)	(21,640)	1,900
SHO08 Contributions Towards Exp	Contributions Towards Exp	(44,518)	(33,720)	(33,720)	0
SHO09 Alarm Income - Non Tenants	Alarm Income - Non Tenants	(194,509)	(194,660)	(209,520)	(14,860)
SHO10 H.R.A. Investment Income	H.R.A. Investment Income	(42,103)	(40,000)	(40,000)	0
SHO11 Misc. Income	Misc. Income	(142,628)	(19,000)	(19,000)	0
SHO13A Repairs & Maintenance	Repairs & Maintenance	2,892,640	3,214,780	3,280,810	66,030
SHO17A Housing & Tenancy Services	Housing & Tenancy Services	1,243,870	1,354,750	1,295,280	(59,470)
SHO22 Alarms & L.D. Wardens	Alarms & L.D. Wardens	127,540	152,200	121,700	(30,500)
SHO30 Share Of Corp And Dem	Share Of Corp And Dem	222,429	177,400	185,400	8,000
	HRA TOTAL	(9,335,431)	(8,601,980)	(8,381,050)	220,930
	GRAND TOTAL	(8,584,880)	(7,485,860)	(7,171,280)	314,580

SES15 Private Sector Housing Grants

Group	Description	2015/16 Actuals	2016/17 Budget	2017/18 Budget	Movement £
1000	Employees	174,318	158,350	155,280	(3,070)
3000	Transport	6,106	6,110	6,880	770
4000	Cost Of Goods And Services	28,613	1,760	2,240	480
7000	Income	(321,335)	(500)	(500)	0
	Sum:	(112,298)	165,720	163,900	(1,820)

Cost Centre	Cost Centre Name	2017/18 Budget
ES350	Mandatory Dfgs	0
ES354	Private Sector Housing Team	163,900
	TOTAL	163,900

10% Savings	16,572
20% Savings	33,144

Cost Pressures/Savings on Basis of Current Service Provision

1000 - 0.50 FTE has been moved to E/Health Team

Impact and Risks if 10% Savings Imposed

- 10% reduction in staff resources would impact on the delivery of core statutory functions, unacceptable delays in approving disabled facilities grants or resolving serious housing hazards.

Impact and Risks if 20% Savings Imposed

- 20% reduction in staff resources would mean 1 FTE PSH Officer. DFG applications would have hugely extended turnaround times of 6 months to 1 year, only occasionally being able to investigate those enforcement cases that pose the most serious risk to health and safety, no longer be able to deliver empty homes activity or advise services as this is one of our non-statutory duties as priority would have to be given to limited delivery of statutory duties.

SHG03 Homelessness Accommodation

Group	Description	2015/16 Actuals	2016/17 Budget	2017/18 Budget	Movement £
1000	Employees	196,013	198,070	207,260	9,190
2000	Premises	3,589	5,300	5,300	0
3000	Transport	11,435	11,440	11,840	400
4000	Cost Of Goods And Services	76,331	119,160	199,640	80,480
7000	Income	(94,730)	(101,500)	(152,700)	(51,200)
	Sum:	192,638	232,470	271,340	38,870

Cost Centre	Cost Centre Name	2017/18 Budget	10% Savings	23,247
HG320	Housing & Homelessness Advice	67,300	20% Savings	46,494
HG373	Housing Options Staff	204,040		
	TOTAL	271,340		

Cost Pressures/Savings on Basis of Current Service Provision

1% increase on salaries.

Court Costs increased by £7k to enable registering of CCJs on DARs where repayment plans are not being adhered to.

Provision for DARS increased by £25k.

Income reduced by £51k and a compensating increase on expenditure of £48k to allow for a more transparent view of Housing Benefit payments collected, Homelessness spend on B&B and temporary accommodation using our own stock.

SHG03 Homelessness Accommodation

Impact and Risks if 10% Savings Imposed

Homelessness/Housing Options If the FTE are reduced this would have a direct impact in the prevention work and negotiation work with landlords. The team currently work with a case load of 35 applications; this would take them up to 45. This would increase the spending on B&Bs, increase the amount of homelessness acceptances and go against the drive of reducing homelessness in the Country. The option of getting in early to prevent homelessness and using cheaper options such as the deposit and advance rent rather than expensive B&B has always proved to save the Council money. The average cost of a DARS loan is approx. £1,200, the cost of placing a family in B&B for 28 days is around £2,500.

Allocations If the FTE is reduced this would have an impact on the timescales an officer has to advertise the property and carry out a pre-void inspection, therefore increased void times and rent losses to the HRA. But these inspections help stop tenants handing back properties that have damages and repair issues.

Devon Home Choice A 10% cut would mean being unable to carry out checks on applications and therefore more offers going to wrong applicants. It is necessary to review the applicants on our waiting list each year, without reviewing the register; applicants could obtain social housing under false information.

Enabling A cut would risk new developments being built in the district being based upon a waiting list that is not up to date; this in turn could put developers off or Housing not being occupied.

Youth Support Officer We currently receive a grant of £20k from Devon County Council towards the officer who works with this age range. Without this post the Council would see an increase in young person's being placed into supported living schemes as the current staffing structure would not be able to do the work of this officer. But also Mid Devon would lose the grant of £20k from Devon County Council and an increased budget spending on temporary accommodation costs.

Impact and Risks if 20% Savings Imposed

Homelessness/Housing Options A larger reduction would mean less staffing to get in early for prevention work, delayed case work, homeless intervention would only come into effect when the household are actually homeless and then placed into B&B, then homeless duty owed and more temporary accommodation required. The team working with a case load of 50-60 cases each.

Allocations A larger reduction would mean that limited pre-void checks would be completed and therefore increased recharges. But also the fact the more fraudulent applications may go through as we would not be able to carry out full checks.

Devon Home Choice A larger reduction would mean that limited pre-void checks would be completed and therefore increased recharges. But also the fact the more fraudulent applications may go through as we will not be able to carry out full checks. Enabling new developments being built in the district would also be based upon a waiting list that is not up to date; this in turn could put developers off or Housing not being occupied.

Youth Support Officer We currently receive a grant of £20k from Devon County Council towards the officer who works with this age range. Without this post the Council would see an increase in young person's being placed into supported living schemes as the current staffing structure would not be able to do the work of this officer. But also Mid Devon would lose the grant of £20k from Devon County Council and an increased budget spending on temporary accommodation costs.

SHO01 Dwelling Rents Inc

Group	Description	2015/16 Actuals	2016/17 Budget	2017/18 Budget	Movement £
4000	Cost Of Goods And Services	35,914	35,000	35,000	0
7000	Income	(12,815,854)	(12,628,760)	(12,403,590)	225,170
	Sum:	(12,779,940)	(12,593,760)	(12,368,590)	225,170

Cost Centre	Cost Centre Name	2017/18 Budget	10% Savings	(1,259,376)
HO700	Genl Needs Housing Rents	(12,368,590)	20% Savings	(2,518,752)
	TOTAL	(12,368,590)		

Cost Pressures/Savings on Basis of Current Service Provision

A 1% decrease has been imposed by DCLG on all social rents. This is year two of four years of such decreases.

Impact and Risks if 10% Savings Imposed

Increasing income here is not really an option, since DCLG have imposed a 1% decrease upon us.

Impact and Risks if 20% Savings Imposed

As above

SHO04 Non Dwelling Rents Inc

Group	Description	2015/16 Actuals	2016/17 Budget	2017/18 Budget	Movement £
4000	Cost Of Goods And Services	1,941	1,200	1,600	400
7000	Income	(551,888)	(555,270)	(573,020)	(17,750)
	Sum:	(549,947)	(554,070)	(571,420)	(17,350)

Cost Centre	Cost Centre Name	2017/18 Budget
HO760	Car Parking Income	(4,560)
HO770	Garage Income	(408,500)
HO780	Ground Rent Income	(25,290)
HO790	Shop Income	(109,000)
HO795	Leased Accommodation	(22,250)
HO800	Land Licence	(1,820)
	TOTAL	(571,420)

10% Savings	(55,407)
20% Savings	(110,814)

Cost Pressures/Savings on Basis of Current Service Provision

This budget is mostly made up of the income from garage rents and shop unit rents.

Impact and Risks if 10% Savings Imposed

Increasing rents significantly is likely to result in a loss of customers and so it may not lead to an increase in income overall.

Impact and Risks if 20% Savings Imposed

Increasing rents significantly is likely to result in a loss of customers and so it may not lead to an increase in income overall.

SHO06 Tenant'S Ch For Services

Group	Description	2015/16 Actuals	2016/17 Budget	2017/18 Budget	Movement £
7000	Income	(46,313)	(42,360)	(350)	42,010
	Sum:	(46,313)	(42,360)	(350)	42,010

Cost Centre	Cost Centre Name	2017/18 Budget
HO855	Supported Housing Other Income	(350)
HO860	Warden Service Income	0
HO865	Learning Disability Income	0
	TOTAL	(350)

10% Savings	(4,236)
20% Savings	(8,472)

Cost Pressures/Savings on Basis of Current Service Provision

This budget now only includes small sundry income since the Learning Disability contract ended.

Impact and Risks if 10% Savings Imposed

N/A

Impact and Risks if 20% Savings Imposed

N/A

SHO07 Leaseholders' Ch For Serv

Group	Description	2015/16 Actuals	2016/17 Budget	2017/18 Budget	Movement £
7000	Income	(21,952)	(23,540)	(21,640)	1,900
	Sum:	(21,952)	(23,540)	(21,640)	1,900

Cost Centre	Cost Centre Name	2017/18 Budget	10% Savings	(2,354)
HO870	Leaseholders' Service Charges	(21,640)	20% Savings	(4,708)
	TOTAL	(21,640)		

Cost Pressures/Savings on Basis of Current Service Provision

The amount of income received from leasing these properties out is determined by the lease agreement and so no changes can be made at this time.

<u>Impact and Risks if 10% Savings Imposed</u>
N/A

<u>Impact and Risks if 20% Savings Imposed</u>
N/A

SHO08 Contributions Towards Exp

Group	Description	2015/16 Actuals	2016/17 Budget	2017/18 Budget	Movement £
4000	Cost Of Goods And Services	29,791	26,500	26,500	0
7000	Income	(74,308)	(60,220)	(60,220)	0
	Sum:	(44,518)	(33,720)	(33,720)	0

Cost Centre	Cost Centre Name	2017/18 Budget	10% Savings	(3,372)
HO885	Contributions Towards Exp	(13,720)	20% Savings	(6,744)
HO890	Rechargeable Repairs Income	(20,000)		
	TOTAL	(33,720)		

Cost Pressures/Savings on Basis of Current Service Provision

This is the budget for income generated from rechargeable repairs and for contributions received for septic tank emptying.

Impact and Risks if 10% Savings Imposed

Increasing income here would mean selling our repairs services more widely than we do at present.

Impact and Risks if 20% Savings Imposed

Increasing income here would mean selling our repairs services more widely than we do at present and perhaps investing more in marketing the service.

SHO09 Alarm Income

Group	Description	2015/16 Actuals	2016/17 Budget	2017/18 Budget	Movement £
4000	Cost Of Goods And Services	(27,739)	0	0	0
7000	Income	(166,770)	(194,660)	(209,520)	(14,860)
	Sum:	(194,509)	(194,660)	(209,520)	(14,860)

Cost Centre	Cost Centre Name	2017/18 Budget	10% Savings	(19,466)
HO920	Community Alarm Income	(209,520)	20% Savings	(38,932)
	TOTAL	(209,520)		

Cost Pressures/Savings on Basis of Current Service Provision

This is the income received from both tenants and non-tenants in relation to the lifeline alarm service.

Impact and Risks if 10% Savings Imposed

Customer numbers have steadily increased over the years, without increasing prices significantly. It is hoped that this trend will continue and help to increase income by 5-10% annually.

Impact and Risks if 20% Savings Imposed

To achieve a higher increase in income, it is likely we would have to increase fees.

SHO10 H.R.A. Investment Income

Group	Description	2015/16 Actuals	2016/17 Budget	2017/18 Budget	Movement £
7000	Income	(42,103)	(40,000)	(40,000)	0
	Sum:	(42,103)	(40,000)	(40,000)	0

Cost Centre	Cost Centre Name	2017/18 Budget	10% Savings	(4,000)
HO930	Investm'T Income - Capital Bal	(40,000)	20% Savings	(8,000)
	TOTAL	(40,000)		

Cost Pressures/Savings on Basis of Current Service Provision

This budget represents the amount of interest income generated from investing activities using the HRA's surplus cash reserves.

Impact and Risks if 10% Savings Imposed

The amount generated is dependent on cash reserves available as well as prevailing interest rates and so is difficult to predict well in advance.

Impact and Risks if 20% Savings Imposed

N/A

SHO11 Misc. Income

Group	Description	2015/16 Actuals	2016/17 Budget	2017/18 Budget	Movement £
4000	Cost Of Goods And Services	0	0	0	0
7000	Income	(142,628)	(19,000)	(19,000)	0
	Sum:	(142,628)	(19,000)	(19,000)	0

Cost Centre	Cost Centre Name	2017/18 Budget	10% Savings	(1,900)
HO696	Capital Grants And Contributio	0	20% Savings	(3,800)
HO960	Sundry Income Incl. Wayleaves	(19,000)		
	TOTAL	(19,000)		

Cost Pressures/Savings on Basis of Current Service Provision

This income is largely made up of rents for small pieces of land or from the occasional sale of small parcels of land in our estate.

Impact and Risks if 10% Savings Imposed

The income is difficult to predict and so potential increases are hard to plan for.

Impact and Risks if 20% Savings Imposed

N/A

SHO13A Repairs & Maintenance

Group	Description	2015/16 Actuals	2016/17 Budget	2017/18 Budget	Movement £
1000	Employees	1,237,538	1,184,920	1,254,230	69,310
2000	Premises	7,583	7,000	17,000	10,000
3000	Transport	184,616	320,930	378,300	57,370
4000	Cost Of Goods And Services	1,879,040	2,101,930	2,031,280	(70,650)
7000	Income	(416,137)	(400,000)	(400,000)	0
	Sum:	2,892,640	3,214,780	3,280,810	66,030

Cost Centre	Cost Centre Name	2017/18 Budget	10% Savings	321,478
HO120	Disabled Adaptations	14,030	20% Savings	642,956
HO130	Planned & Cyclical Maintenance	1,171,450		
HO137	Estate Caretaking	40,270		
HO140	Voids Maintenance	752,530		
HO150	Responsive Repairs	1,522,070		
HO155	Repairs - Transfers Of Costs	(967,000)		
HO160	Stores	45,170		
HO310	Repairs Management	500,740		
HO312	Planned Maintenance Team	201,550		
	TOTAL	3,280,810		

Cost Pressures/Savings on Basis of Current Service Provision

- Overtime payments increased to match current levels of spend £24k
- £33k less contribution from capital works
- increase in transport spend due to planned replacement of several vehicles
- £10k additional septic tank works required in 2017/18

Impact and Risks if 10% Savings Imposed

Service delivery would be severely impacted. Repair times would increase, leading to more repairs becoming emergencies.

Impact and Risks if 20% Savings Imposed

With significantly reduced resources, urgent repairs would grow into emergencies, void turnaround times would increase and the service would run with an older, less reliable fleet.

SHO17A Housing & Tenancy Services

Group	Description	2015/16 Actuals	2016/17 Budget	2017/18 Budget	Movement £
1000	Employees	886,997	921,040	840,910	(80,130)
2000	Premises	104,894	119,510	107,670	(11,840)
3000	Transport	24,355	22,580	25,360	2,780
4000	Cost Of Goods And Services	233,058	291,620	321,340	29,720
7000	Income	(5,433)	0	0	0
	Sum:	1,243,870	1,354,750	1,295,280	(59,470)

Cost Centre	Cost Centre Name	2017/18 Budget
HO200	A.S.B.	6,030
HO210	Estate Management	178,500
HO215	Utility Costs Void Properties	31,720
HO220	General Tenancy	394,940
HO222	Neighbourhood Teams	6,000
HO224	Culm Neighbourhood Team	0
HO226	Exe Neighbourhood Team	0
HO250	H.R.A. Shops	12,350
HO270	Lettings & Waiting Lists	10,000
HO280	Tenant Involvement	35,250
HO300	Other Admin Costs	22,760
HO305	New Developments	0
HO320	Housing Services Management	247,400
HO325	Housing Business Support	81,260
HO332	Development Training	15,000
HO334	C.P.D. Training	15,000
HO350	Finance And Performance	182,290
HO370	Rent Collection & Accounting	42,290
HO380	Income Collection	9,490
HO390	Sale Of Council Houses	5,000
	TOTAL	1,295,280

10% Savings	135,475
20% Savings	270,950

Cost Pressures/Savings on Basis of Current Service Provision

Savings secured already due to management duties being spread across Tenant Involvement, Business Support and Community Alarms as well as the deletion of the Policy Officer post. HRA shop maintenance is expected to cost less in 2017/18 than 2016/17. There is an increase where £30k of revenue sewerage works is planned for 2017/18.

Impact and Risks if 10% Savings Imposed

Imposing increased savings on this area would have the following implications.

- failure to produce bills to tenants in a timely manner, increasing the likelihood of arrears growing.
- failure to meet our obligations in terms of the Right to Buy scheme, exposing us to potential legal action and financial loss.
- failure to pursue action that leads to recovery of arrears
- failure to engage with tenants and so understand tenant views on matters that affect them.

Impact and Risks if 20% Savings Imposed

This action would have the same consequences as above, but they would be still more severe in each case.

SHO22 Alarms & L.D. Wardens

Group	Description	2015/16 Actuals	2016/17 Budget	2017/18 Budget	Movement £
1000	Employees	87,092	66,920	37,320	(29,600)
2000	Premises	30,831	39,560	40,360	800
3000	Transport	4,262	5,050	4,300	(750)
4000	Cost Of Goods And Services	33,560	70,190	69,240	(950)
7000	Income	(28,205)	(29,520)	(29,520)	0
	Sum:	127,540	152,200	121,700	(30,500)
Cost Centre	Cost Centre Name	2017/18 Budget			
HO400	Warden Service Expenditure	10,850	10% Savings		15,220
HO410	Community Alarms Expenditure	110,850	20% Savings		30,440
HO550	Learning Disability Support	0			
	TOTAL	121,700			

Cost Pressures/Savings on Basis of Current Service Provision

This budget services our lifeline customers, for which income is received under heading SHO09. The Finance & Performance Manager and the HRA Accountant are planning to review the way in which we collect utility charges for some tenants with learning disabilities. We currently collect these and make payments to the supplier on behalf of these tenants. This project could deliver the required saving as the intention of the review is to bring the amount charged by the Housing Service into line with the charges relating to actual usage.

Impact and Risks if 10% Savings Imposed

It would be unwise to cut this budget as the Lifeline Service generates income and we are working to market the service more effectively. The new Support Services Team Leader, who will have responsibility for this has been tasked with increasing uptake of the service. For information on the income which is received in respect of the service, please see SHO09.

Impact and Risks if 20% Savings Imposed

The risks are the same as above, only more severe if 20% is cut.

SHO30 Share Of Corp And Dem

Group	Description	2015/16 Actuals	2016/17 Budget	2017/18 Budget	Movement £
1000	Employees	222,429	177,400	185,400	8,000
	Sum:	222,429	177,400	185,400	8,000

Cost Centre	Cost Centre Name	2017/18 Budget	10% Savings	17,740
HO620	Share Of Corp And Dem	185,400	20% Savings	35,480
	TOTAL	185,400		

Cost Pressures/Savings on Basis of Current Service Provision

Since this budget relates directly to an amount we have to pay to Devon County Council by statute, there is little that can be done to affect savings in this area.

Impact and Risks if 10% Savings Imposed

Please see comment above.

Impact and Risks if 20% Savings Imposed

Please see comment above.

SPS05 Administration Buildings

Group	Description	2015/16 Actuals	2016/17 Budget	2017/18 Budget	Movement £
1000	Employees	1,900	20	20	0
2000	Premises	322,514	303,430	338,620	35,190
3000	Transport	(1)	0	0	0
4000	Cost Of Goods And Services	44,724	41,620	40,860	(760)
7000	Income	(96,679)	(84,810)	(108,410)	(23,600)
	Sum:	272,458	260,260	271,090	10,830

Cost Centre	Cost Centre Name	2017/18 Budget	10% Savings	26,026
PS810	Phoenix House	254,570	20% Savings	52,052
PS820	Dcc Library	(2,710)		
PS830	Town Hall	8,780		
PS840	Crediton Office Building	10,450		
	TOTAL	271,090		

Cost Pressures/Savings on Basis of Current Service Provision

2000 - Increased maintenance budgets due to planned revenue project works during 17-18 £45k. The rates budget for Phoenix House has reduced as a result of DWP moving into the building £10k.

7000 - Rental income has increase as a result of DWP £23k.

Impact and Risks if 10% Savings Imposed**Consideration of:****Phoenix House**

- Income from meeting rooms, promote to Premier Inn customers.
- Hot desking to rent out more office space.

Town Hall

- Talks to sell site to Tiverton Town Council

Crediton Office

- Talks to sell site to Crediton Town Council

Impact and Risks if 20% Savings Imposed**Phoenix House**

- Look to increase space by extending Phoenix House upwards and rent out floor space.

SPS06 Mddc Depots

Group	Description	2015/16 Actuals	2016/17 Budget	2017/18 Budget	Movement £
2000	Premises	68,353	66,570	72,240	5,670
4000	Cost Of Goods And Services	6,384	1,390	1,590	200
7000	Income	(3,896)	(10,000)	(11,150)	(1,150)
	Sum:	70,842	57,960	62,680	4,720

Cost Centre	Cost Centre Name	2017/18 Budget
PS850	Old Road Depot	51,620
PS860	Station Yard Depot	18,560
PS870	Lords Meadow Depot	(7,500)
	TOTAL	62,680

10% Savings	5,796
20% Savings	11,592

Cost Pressures/Savings on Basis of Current Service Provision

2000 - Budget increase due to maintenance project being identified for 17-18.

Impact and Risks if 10% Savings Imposed

- Lords Meadow rental is fixed

Impact and Risks if 20% Savings Imposed

- Sell Lords Meadow asset.
- Converting Station Yard into Industrial units or to lease out for Commercial rent.

SPS08 Office Building Cleaning

Group	Description	2015/16 Actuals	2016/17 Budget	2017/18 Budget	Movement £
1000	Employees	46,063	47,140	47,510	370
3000	Transport	(38)	0	0	0
4000	Cost Of Goods And Services	20,585	12,740	12,240	(500)
	Sum:	66,610	59,880	59,750	(130)

Cost Centre	Cost Centre Name	2017/18 Budget
PS970	Office Building Cleaning	59,750
	TOTAL	59,750

10% Savings	5,988
20% Savings	11,976

Cost Pressures/Savings on Basis of Current Service Provision

No major budgetary movement.

Impact and Risks if 10% Savings Imposed

- Review of service needs to be undertaken to find efficiency savings with a view to reduce the budget requirement of staffing and reliance on agency staff.

Impact and Risks if 20% Savings Imposed

- Reduction in FTE's or outsource cleaning

SPS09 Property Services Staff Unit

Group	Description	2015/16 Actuals	2016/17 Budget	2017/18 Budget	Movement £
1000	Employees	248,548	306,750	356,920	50,170
2000	Premises	0	8,750	0	(8,750)
3000	Transport	16,485	17,680	17,960	280
4000	Cost Of Goods And Services	5,301	6,880	6,130	(750)
7000	Income	(10,034)	(230)	0	230
	Sum:	260,300	339,830	381,010	41,180

Cost Centre	Cost Centre Name	2017/18 Budget	10% Savings	33,983
PS980	Property Services Staff Unit	381,010	20% Savings	67,966
	TOTAL	381,010		

Cost Pressures/Savings on Basis of Current Service Provision

1000 - Salary costs have increased to reflect the correct % split between Property Services and HRA £27k. Salary spine point increases have also resulted in increased salary costs.

Impact and Risks if 10% Savings Imposed

- Reduction of 2 FTEs would have to be considered if asked to make this 10% saving. This would leave an already under resourced Property Services struggling to cope with the demands of MDDC estate works.

Impact and Risks if 20% Savings Imposed

- A further FTE would need to be considered to achieve the 20% saving. This would result in the team relying on external contractors to carry out the day to day maintenance programme, which would result in higher external contractors budgets across the Council.

2017/18 BUDGETS
Appendix 3
Transfers into Earmarked Reserves

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		
TOTAL	52,700.00	14,360.00	47,450.00	507,460.00	20,000.00	1,831,460.00	50,000.00	2,523,430.00
2016/17	80,000.00	14,360.00	46,640.00	550,900.00	20,000.00	1,831,460.00	202,410.00	2,745,770.00
Movement	(27,300)	-	810	(43,440)	-	-	(152,410)	(222,340)

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)	
TOTAL	(540,790)	(41,800)	(582,590)

2016/17	(325,780)	(250,000)	(575,780)
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Movement	(215,010)	208,200	(6,810)
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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

Credition 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

Private Sector Housing Grants

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

Total 115

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
Subtotal	6,698

NEW FUNDS

Borrowing	5,114
Revenue Contributions	0
Subtotal	5,114

TOTAL FUNDING 11,812

HOMES PDG
15 NOVEMBER 2016

HRA MEDIUM TERM FINANCIAL STRATEGY

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

Reason for Report: This report provides an estimate of the budget required for the operation of the Housing Revenue Account (HRA) from 2017/18-2020/21.

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

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

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

Legal Implications: None.

Risk Assessment: The MTFS 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.

1.0 Introduction

- 1.1 The Finance and Housing officers have now collated a draft budget for 2017/18 which proposes a balanced budget position, shown as part of a separate report at this meeting.
- 1.2 Further to this, the Heads of Housing and Finance have agreed assumptions for the forthcoming years, in order to determine a reasonable idea of what the financial position of the Housing Revenue Account (HRA) will be.

2.0 Medium Term Assumptions

- 2.1 The largest number in the HRA is the dwelling rent figure. Central government have dictated how this will change, stating that, Mid Devon's

Formula Rent (FR) will now decrease by 1% each year for the next three years. Please note that FR is the amount of rent that properties on social rent are to be charged, according to central government.

- 2.2 Other areas of income, such as garage rents, shop rents, service charges and community alarms, tend to see price rises that are small incremental changes or not at all. For this reason, the strategy assumes that these budgets will move at the same rate as the dwelling rent.
- 2.3 The operational costs of the supplies and services and transport are expected to rise by 3.0%, 2.0% and 2.0% respectively over the next four years.
- 2.4 Since the annual debt repayments are now a known quantity, we are able to predict these into the medium term and beyond with some certainty. The only expected increases here are where further debt is taken on to fund large scale projects.
- 2.5 Recharges between the General Fund and HRA are yet to be finalised, but overall the position between the HRA and the General Fund has been assumed as increasing by 1.0%, 1.5% and 2.0% respectively.

HRA Reserve

- 2.6 It is anticipated that the HRA reserve balance will stand at approximately £2m at the beginning of 2017/18. There is no plan to utilise the reserve to fund revenue expenditure and so the balance should remain at this level throughout the period up to the end of 2020/21.
- 2.7 In an effort to address the needs identified in the Housing thirty year asset management plan, an amount is to be invested in an earmarked reserve for the long term maintenance of the properties (the Housing Maintenance Fund or HMF). This fund will be used to cover the shortfall in future years, when the demand is greater than tenant rents can meet.

3.0 Future Issues

- 3.1 The HRA Budget report 2017/18, also presented at this meeting, describes the following issues.
 - Universal Credit
 - Formula Rent (FR) reducing by 1% each year for three more years
- 3.2 Clearly, the above list indicates significant challenges facing the HRA. Once more detailed information becomes available, individual reports will be produced for members and the subsequent Medium Term Financial Strategy will take account of them.

4.0 Conclusion

- 4.1 The feedback from this meeting will be noted when preparing the final budget proposals, to be brought before this group on 17/01/17.

Contact for more information:

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Circulation of the Report:

Management Team, Members and relevant Service Managers

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MID DEVON DISTRICT COUNCIL
HRA MEDIUM TERM FINANCIAL PLAN 2016-17 TO 2020-21

		Current Base							
		2016-17	Infl	2017-18	Infl	2018-19	Infl	2019-20	2020-21
		£	%	£	%	£	%	£	£
Employee costs									
	Cost pressures			0		0		0	0
	Savings			0		0		0	0
	Base budget	2,350,280		2,279,860		2,302,659		2,325,685	2,348,942
	<i>Inflation base</i>	2,350,280	1.0%	2,279,860	1.0%	2,302,659	1.0%	2,325,685	2,348,942
	One off initiatives	0		0		0		0	0
Total in year cost		2,350,280		2,279,860		2,302,659		2,325,685	2,348,942
Premises costs									
	Cost pressures			0		0		0	0
	Savings			0		0		0	0
	Base budget	166,070		165,030		167,010		169,683	173,076
	<i>Inflation base</i>	166,070	2.0%	165,030	1.2%	167,010	1.6%	169,683	173,076
	One off initiatives								
Total in year cost		166,070		165,030		167,010		169,683	173,076
Transport related costs									
	Cost pressures			0		0		0	0
	Savings			0		0		0	0
	Base budget	348,560		407,960		420,199		428,603	437,175
	<i>Inflation base</i>	348,560	2.0%	407,960	3.0%	420,199	2.0%	428,603	437,175
	One off initiatives								
Total in year cost		348,560		407,960		420,199		428,603	437,175
Supplies and services									
	Cost pressures			0		0		0	0
	Savings			0		0		0	0
	Base budget	2,897,090		2,525,087		2,600,840		2,652,856	2,705,914
	<i>Inflation base</i>	2,897,090	2.0%	2,525,087	3.0%	2,600,840	2.0%	2,652,856	2,705,914
	One off initiatives								
Total in year cost		2,897,090		2,525,087		2,600,840		2,652,856	2,705,914
Support services		1,265,490	1.0%	1,276,490	1.0%	1,289,255	1.5%	1,308,594	1,334,766
Total gross expenditure		7,027,490		6,654,427		6,779,962		6,885,421	6,999,872
Rents , fees, charges and grants									
	Cost pressures			0		62,322		62,322	62,322
	Savings			0		(214,083)		(173,581)	(243,014)
	Base budget	(14,094,760)		(13,892,860)		(13,753,931)		(13,766,636)	(13,739,116)
	<i>Inflation base</i>	(14,094,760)	-1.0%	(13,892,860)	-1.0%	(13,905,693)	-1.0%	(13,877,895)	(13,919,808)
	One off initiatives	0		0		0		0	0
Total in year cost		(14,094,760)		(13,892,860)		(13,905,693)		(13,877,895)	(13,919,808)
NET COST OF SERVICES		(7,067,270)		(7,238,433)		(7,125,731)		(6,992,475)	(6,919,936)
Interest Payable		1,158,170		1,159,000		1,157,000		1,179,000	1,201,000
Interest Payable HRA to GF		54,000		54,500		54,000		54,000	54,000
Capital Financing		977,250		977,250		977,253		1,073,893	1,133,893
Interest Receivable		(69,370)		(40,000)		(31,160)		(35,330)	(28,850)
Contribution to Capital - MRA		2,805,000		2,275,000		2,275,000		2,450,000	2,445,000
Renewable energy surplus		130,000		130,000		130,000		130,000	130,000
Affordable Rent surplus		74,320		72,330		157,240		225,100	320,055
Transfer to Housing Maintenance Fund (HMF)		1,407,690		2,040,560		1,987,510		1,477,533	1,205,828
Principal adjustment		530,210		569,793		418,888		438,279	459,011
Budget (Surplus) / Deficit		0		0		(0)		0	0
Opening balance 01 April		(2,000,000)		(2,000,000)		(2,000,000)		(2,000,000)	(2,000,000)
Net Monitoring Forecast outturn									
Closing balance 31 March		(2,000,000)		(2,000,000)		(2,000,000)		(2,000,000)	(2,000,000)
(Surplus) / Savings to be found		0		0		(0)		0	0
(Surplus) year 1				0	1.5%	0	1.5%	0	0
(Surplus) year 2						(0)	1.5%	(0)	(0)
(Surplus) year 3								0	0
(Surplus) year 4									0
IN YEAR SAVINGS TO BE MADE				0		(0)		0	0

**MID DEVON DISTRICT COUNCIL HRA
MEDIUM TERM FINANCIAL PLAN 2016-17 TO 2020-21
COST PRESSURES SUMMARY**

	2017-18 £		2018-19 £		2019-20 £		2020-21 £
Employee costs							
Service cost pressures (JE/restructures new pension contributions)							
Additional employers NIC re contacted out pensions							
Pension backfunding							
Employees total to summary	0		0		0		0
Premises costs							
Service cost pressures							
Premises total to summary	0		0		0		0
Service cost pressures							
Transport total to summary	0		0		0		0
Supplies and services							
Service cost pressures							
Increased MRA							
Supplies and Services total to summary	0		0		0		0
Fees, charges and grants							
Service cost pressures							
Rent lost through RTB (15, 15, 15)			62,322		62,322		62,322
Fees, charges and grants summary	0		62,322		62,322		62,322
Other cost variances highlighted in the budget monitoring process							
Other income to summary	0		0		0		0
Net Total	0		62,322		62,322		62,322

**MEDIUM TERM FINANCIAL PLAN 2016-17 TO 2020-21
SAVINGS SUMMARY**

			2017-18 £		2018-19 £		2019-20 £		2020-21 £
Employee costs									
Establishment reductions									
Employees total to summary			0		0		0		0
Premises costs									
Premises total to summary			0		0		0		0
Transport related costs									
Transport total to summary			0		0		0		0
Supplies and services									
Supplies and Services total to summary			0		0		0		0
Rents , fees, charges and grants									
Service increases									
Burlescombe, Bampton, Stoodleigh, Willand & Tiverton						(173,581)		(243,014)	
Palmerston Park rent (retained) - 26				(150,437)					
11 properties across three existing schemes				(63,646)					
Fees, charges and grants summary			0	(214,083)		(173,581)		(243,014)	
Other income									
						0		0	
Other income to summary			0	0		0		0	
Total Initiatives			0	(214,083)		(173,581)		(243,014)	

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HOMES PDG

15 November 2016

Draft 2017/18 Housing Revenue Account (HRA) Budget

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 budgetary planning for 2018/19 onwards.

RECOMMENDATION: To consider the draft budget proposals for 2017/18 and note the proposed balanced position at this time.

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

Financial Implications: The Housing Revenue Account currently has a balanced budget for 2017/18.

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 The HRA is a ring-fenced account within Mid Devon's financial accounting system. This means that a balanced budget must be set each year including all income and expenditure pertinent to the Council's landlord function and excluding all other income and expenditure (since this would be captured as part of the General Fund budget).
- 1.2 This report will set out management's proposals for a draft HRA budget for 2017/18 and members will see from Appendix 1 that, as it stands, the budget has been balanced and so nets to nil. The report will outline the key issues affecting the HRA today, along with how they impact on the setting of a budget for 2017/18. The report will go on to make recommendations to members to note its content and to highlight issues expected to affect the HRA in the future.

2.0 Key Issues

Right to Buy Property Sales

- 2.1 Central government have imposed a Right to Buy (RTB) policy on local authority landlords which is extremely generous to the tenant but which is detrimental to the running of an HRA. The result of this is of course that

tenants are incentivised to exercise their right to buy and each time they do, our rent income reduces and the sale proceeds received are small.

- 2.2 At present, a tenant could pay as little as £30,000 for a £100,000 house. In such a case as this, the Council would retain only a portion of this as some of the money has to be returned to central government. If we then fail to spend sufficient funds on building new homes during the subsequent three years, still more of the sales proceeds have to be returned to central government.

Rent decrease

- 2.3 In 2015 central government announced that social and affordable rents would decrease by 1% each year for the four years from 2016/17 to 2019/20. The budget being set for 2017/18 is the second year of this policy and so there are two further years to run beyond this one. What rent policy will be thereafter is not known at this time.
- 2.4 The difficulty this gives Mid Devon is that, whilst we currently have sufficient funds to carry out the day-to-day running of the service, we are not generating sufficient funds to build new homes at the rate that central government demands of us.

Other income

- 2.5 Management have proposed to increase garage rents slightly by ten pence per week (0.9%) to £11.10. It is considered sensible to maintain such a minor increase since a larger one is likely to lead to a reduction in customer numbers.
- 2.6 Community alarms are set to be frozen a £3.76 per week since this is considered to be on a par with what competitors are charging. However, it is proposed to increase the charge made to former sheltered properties from £3.00 to £3.30 (10.0%) since this is essentially the same service being offered at a lower rate. Ultimately, we would seek to synchronise these charges so that all customers are paying a single rate.

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

- 2.7 Each year any low demand periods experienced by our operatives are put to good use by carrying works that might otherwise require Mid Devon to use an external contractor and so incur additional cost. In doing so, the Repairs team are able to transfer a significant amount of their costs to the relevant area and thus reducing the overall DLO budget.
- 2.8 For 2017/18, the DLO have budgeted to transfer £1,042k of their costs to other areas as well as £400k of disabled adaptations work. This is a huge achievement as well as the obviously demanding task of maintaining an excellent repairs service.

3.0 Recommendation

- 3.1 It is recommended that members of the group consider the proposals for this draft HRA budget along with the details laid out in this report. It is also recommended that members note that this report proposes a balanced budget for 2017/18. This is positive in that it means that there are no savings yet to be found to balance the budget.

- 3.2 However, it should be noted that some items within the budget may change between now and the final budget being agreed by Full Council and these changes could come as a result of members suggestions, management proposals or central government instructions.

4.0 Future Issues

- 4.1 Universal Credit has been the biggest uncertainty in social housing for the last few years and continues to be so. It is not clear exactly what the impact of full transition will be for Mid Devon's landlord function and nor is it clear when we can expect to see this impact.
- 4.2 Following 2017/18, there will be two further years of rent decreases at 1.0% per year. After that, it is unclear what rent policy central government will set out for us to follow. Clearly, the costs of running the service will increase with inflation over the coming years and so it is hoped that a sensible rent policy will be set to reflect the funding required to meet this cost.

5.0 Conclusion

- 5.1 This report has set out a proposed balanced budget for the HRA for 2017/18, with appendices attached showing the following.
1. The overall makeup of the budget at summary level
 2. The proposed rent for 2017/18
 3. The proposed fees and charges for 2017/18
 4. An extract from the Planned & Cyclical Maintenance budget
- 5.2 It has been recommended above that members note the contents of this report and details of the proposed budget. A further set of proposals will be brought before this group in January 2017 prior to approval by Full Council in February 2017.

Contact for more information:

Andrew Jarrett – Director of Finance, Assets & Resources
01884 234242 | ajarrett@middevon.gov.uk

Roderick Hewson – Principal Accountant
01884 234230 | rhewson@middevon.gov.uk

Circulation of the Report:

Management Team, Members and relevant Service Managers

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Appendix 1

Analysis by service

Code	Service unit	Previous Year Outturn	Current Year Budget	Movement	Proposed Budget 2017/18
	Income				
SHO01	Dwelling Rents Inc	(12,779,940)	(12,593,760)	225,170	(12,368,590)
SHO04	Non Dwelling Rents Inc	(549,947)	(554,070)	(17,350)	(571,420)
SHO06	Tenant'S Ch For Services	(46,313)	(42,360)	42,010	(350)
SHO07	Leaseholders' Ch For Serv	(21,952)	(23,540)	1,900	(21,640)
SHO08	Contributions Towards Exp	(44,518)	(33,720)	0	(33,720)
SHO09	Alarm Income - Non Tenants	(194,509)	(194,660)	(14,860)	(209,520)
SHO10	H.R.A. Investment Income	(42,103)	(40,000)	0	(40,000)
SHO11	Misc. Income	(142,628)	(19,000)	0	(19,000)
	Services				
SHO13A	Repairs & Maintenance	2,892,640	3,214,780	(8,970)	3,205,810
SHO17A	Housing & Tenancy Services	1,243,870	1,354,750	(59,470)	1,295,280
SHO22	Alarms & L.D. Wardens	127,540	152,200	(30,500)	121,700
	Accounting entries 'below the line'				
SHO29	Bad Debt Provision	(3,034)	25,000	0	25,000
SHO30	Share Of Corp And Dem	222,429	177,400	8,000	185,400
SHO32	H.R.A. Interest Payable	1,300,619	1,268,030	(53,530)	1,214,500
SHO34	H.R.A. Trf To/From Emr	3,006,048	2,393,010	418,800	2,811,810
SHO36	H.R.A. R.C.C.O.	590,196	24,000	8,000	32,000
SHO37	Capital Receipts Res Adj	(24,700)	(20,800)	(5,200)	(26,000)
SHO38	Major Repairs Allowance	2,390,468	2,800,000	(525,000)	2,275,000
SHO45	Renewable Energy Transactions	(136,027)	(130,000)	0	(130,000)
	NET DIRECT TOTAL	(2,216,729)	(2,242,740)	(11,000)	(2,253,740)

Subjective analysis

Code	Service unit	Previous Year Outturn	Current Year Budget	Movement	Proposed Budget 2017/18
1000	Employees	2,434,055	2,350,280	(70,420)	2,279,860
2000	Premises	143,308	166,070	(1,040)	165,030
3000	Transport	213,234	348,560	59,400	407,960
4000	Cost Of Goods And Services	10,620,712	9,056,480	(230,210)	8,826,270
7000	Income	(15,628,038)	(14,164,130)	231,270	(13,932,860)
	NET DIRECT TOTAL	(2,216,729)	(2,242,740)	(11,000)	(2,253,740)
5000	RECHARGES		1,265,490	11,000	1,276,490
6000	CAPITAL CHARGES		977,250	0	977,250
	TOTAL		0	0	0

6000 CAPITAL CHARGES

MRP for capital financing (Wells Park)	60,940
Depreciation	2,000,000
Depreciation reversal	(2,000,000)
PWLB loan MRP	916,310
	977,250

Assumptions

All rents to decrease by 1%, moving the actual average rent to £79.05 per week (over 52

Thirty properties sold during 2016/17

Twenty properties sold during 2017/18

Average of fifteen properties void at any one time

Six properties are excluded from rent setting as they are not available for re-let

Affordable Rents to decrease by 1%, moving the actual average rent to £111.27 per week

Garage rents to be increased from £11.00 to £11.10 per week

Occupancy in HRA retail units to remain at current levels

Community alarm customer numbers to remain at current levels

HRA cash balances to remain high in the short term and so generate investment income of circa £40k

Debt repayments of £2,645k to PWLB

- including debt interest payments of £1,212k to PWLB and £54k to GF

£2,041k contribution to the Housing Maintenance Fund to be made

Recharges to grow by £11k

SHO34 H.R.A. Trf To/From Emr

	£
Surplus amount	2,040,564
Renewable energy surplus	130,000
Affordable Rent surplus	72,330
Loan premium deficit	568,916 (see below)
Total	2,811,810

PWLB loan

	£
Principal actually repaid	1,485,228
Principal accounted for	916,313
Loan premium deficit	568,916

HRA Rent Budget 2017/18

Description	Average rent (52 week basis) £	Properties Apr 2016	Estimated sales 2016/17	Estimated sales 2017/18	Average properties 2017/18	Proposed Budget 2017/18
Social rent (in use)	79.05	3,011	30	20	2,972	12,155,050
Social rent (not in use)	79.05	6	0	0	6	0
Affordable rent properties	111.27	43	0	0	43	247,540
Rent written off						(35,000)
Write-offs recovered						1,000
Dwelling Rents Income Budget						12,368,590
Affordable rent surplus						72,330
TOTAL		3,060	30	20	3,021	
Formula Rent	79.10					

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HRA: Proposed Fees and Charges 2017/18

	<u>2017/18</u>	<u>Increase</u>	<u>Increase %</u>	<u>2016/17</u>
<u>Community Alarm Charges per week per property</u> (48 week basis)				
Accessible Accommodation Support	£3.30	£0.30	10.0%	£3.00
Lifeline Base Unit	£3.76	£0.00	0.0%	£3.76
Garage rents per week (48 week basis) <i>It should be noted that council tenants receive a discount of £2.00 per week on any garage rent.</i>				
	£11.10	£0.10	0.9%	£11.00
Garage ground rents (Annual charge)				
	£225	£0	0.0%	£225
<u>N.B.</u>				
MDDC Formula Rent on average (52 weeks)	2017/18: £79.10		2016/17: £79.90	

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HO130**Planned & Cyclical Maintenance (extract)**

Cost centre	Account	Account Description	Proposed Budget 2017/18
HO130	2311	Septic Tank Emptying	17,000
HO130	4110	Equipment Maintenance	2,500
HO130	4205	Planned Insulation	10,000
HO130	4213	Planned Asbestos Work	200,000
HO130	4215	External Contr - Legionella	3,500
HO130	4216	External Contr - Electrical	80,000
HO130	4225	Smoke Detectors	22,950
HO130	4230	External Contr -Gas Servicing	325,000
HO130	4232	External Contr - Paint & Reps	300,000
HO130	4233	Legionella Risk Assessment	20,000
HO130	4236	Air Source Heat Pump Servicing	25,000
HO130	4239	Carbon Monoxide Detectors	42,000
HO130	4245	Sanctuary Works - H.R.A Stock	8,500
HO130	4522	Solid Fuel Repairs	11,000
HO130	4524	Garage Repairs	30,000
HO130	4526	Cyclical Testing	68,000
		TOTAL	1,165,450

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HOMES PDG
15TH NOVEMBER 2016:

PERFORMANCE AND RISK FOR THE SECOND QUARTER OF 2016-17

Cabinet Member Cllr Ray L Stanley
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 the first quarter of 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 Homes Portfolio. See 3.0 below.
- 1.3 Appendix 3 shows the profile of all risks for the Housing Portfolio for this quarter.
- 1.4 All appendices are produced from the corporate Service Performance And Risk management system (SPAR).

2.0 Performance

- 2.1 Housing tenancy PI's have improved overall from the previous quarter, with only one, **Rent Arrears as a Proportion of Annual Rent Debit**, being slightly under target.

2.2 The PI for the **Average Days to Re-let** times has improved from the last quarter from 17.2 days to 15.6 days, which means the service is currently performing better than the target of 16 days.

2.3 When benchmarking information is available it is included.

3.0 Risk

3.1 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, Audit Team Leader ext 4975

Circulation of the Report: Management Team and Cabinet Member

Corporate Plan Quarterly PI Report Homes

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

Key to Performance Status:

Performance
Indicators:

No Data

Well below
target

Below target

On target

Above target

Well above
target

*
indicates that an entity is linked to the Aim by its parent Service

Corporate Plan Quarterly PI Report Homes

Priorities: Homes

Aims: Build more council houses

Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Q1 Act	Q2 Act	Q3 Act	Q4 Act	Head of Service / Manager	Officer Notes
<u>Build Council Houses</u>		14	30	0	0			Nick Sanderson	(Quarter 2) 4 Houses to be built in Birchen Lane by the end of February 2017, and the remainder of 30 to be built by the end of August 2017. (NS)

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

Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Q1 Act	Q2 Act	Q3 Act	Q4 Act	Head of Service / Manager	Officer Notes
<u>Deliver 15 homes per year by bringing Empty Houses into use</u>	4 (2/4)	8	15	2	5			Simon Newcombe, Tanya Wenham	
<u>Number of affordable homes delivered (gross)</u>	14 (2/4)	27	80	16	3			Angela Haigh	(Quarter 1 - 2) Quarter two saw the addition of three new shared ownership properties. (NS)

Aims: Other

Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Q1 Act	Q2 Act	Q3 Act	Q4 Act	Head of Service / Manager	Officer Notes
<u>Local Plan Review</u>	n/a	n/a		n/a	n/a	n/a		Jenny Clifford	
<u>Number of Successful Homelessness Prevention Cases</u>	154 (2/4)	295		70	136			Angela Haigh	
<u>% Decent</u>	99.28% (6/12)	100.00%	100.0%	100.0%	100.0%			Angela	(September)

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Corporate Plan Quarterly PI Report Homes

Priorities: Homes

Aims: Other

Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Q1 Act	Q2 Act	Q3 Act	Q4 Act	Head of Service / Manager	Officer Notes
<u>Council Homes</u>								Haigh, Nick Sanderson	On Target (SB)
<u>% Properties With a Valid Gas Safety Certificate</u>	99.72% (6/12)	99.86%	100.0%	99.9%	100.0%			Angela Haigh	(September) A single expired property. This is at Legal Stage. MDDC will seek a court injunction to enable access. This is the final month of the Rober Heath Heating contract. Subsequent data will relate to Servicing & Maintenance carried out by Liberty Gas Group Ltd. (WD)
<u>Rent Collected as a Proportion of Rent Owed</u>	99.04% (6/12)	99.74%	100.0%	97.3%	99.6%			Angela Haigh	(September) Performance remains just outside target and so I am not unduly concerned about performance against this indicator. (CF)
<u>Rent Arrears as a Proportion of Annual Rent Debit</u>	1.05% (6/12)	0.66%	1.0%	1.0%	1.0%			Angela Haigh	(September) Although outside target, performance remains in the top quartile, which is good. The numbers of tenants in receipt of

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Corporate Plan Quarterly PI Report Homes

Priorities: Homes

Aims: Other

Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Q1 Act	Q2 Act	Q3 Act	Q4 Act	Head of Service / Manager	Officer Notes
									Universal Credit is increasing and this is likely to have an impact on our ability to collect rent going forward. (CF)
<u>Dwelling rent lost due to voids</u>	0.64% (6/12)	0.75%	no target - for information only	0.7%	0.6%			Angela Haigh	
<u>Average Days to Re-Let Local Authority Housing</u>	15.5days (6/12)	16.3days	16.0days	17.2days	15.6days			Claire Fry, Nick Sanderson	(September) On Target (MB)

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Homes PDG Risk Management Report - Appendix 2

Report for 2016-2017

For Homes - Cllr Ray Stanley 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+)**

Homes 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: Housing Services

Current Status:
Medium (5)

Current Risk Severity: 5 -
Very High

Current Risk Likelihood: 1 -
Very Low

Head of Service: Nick Sanderson

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

Risk: Electrical testing Failure to carry out periodic electrical testing could result in the risk of electrocution or fire.

Effects (Impact/Severity):

Causes (Likelihood):

Service: Housing Services

Current Status:
Medium (10)

Current Risk Severity: 5 - Very
High

Current Risk Likelihood: 2 -
Low

Head of Service: Nick Sanderson

Review Note:

Homes PDG Risk Management Report - Appendix 2

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

Effects (Impact/Severity): • Dissatisfied customers and increase in complaints

- An investigation by DCLG
- Legal costs

Causes (Likelihood): • Social and economic factors like the recession and mortgage repossessions increase the number of homeless.

Service: Housing Services

Current Status: High (16)

Current Risk Severity: 4 - High

Current Risk Likelihood: 4 - High

Head of Service: Nick Sanderson

Review Note:

Risk: Impact of Welfare Reform and other emerging National Housing Policy Changes to benefits available to tenants could impact upon their ability to pay. Other initiatives could impact upon our ability to deliver our 30 year Business Plan.

Effects (Impact/Severity):

Causes (Likelihood):

Service: Housing Services

Current Status: High (15)

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 3 - Medium

Head of Service: Nick Sanderson

Review Note:

Risk: Inadequate gas appliance maintenance and certification Failure to maintain service of our gas appliances on an annual basis could result in death and prosecution

Effects (Impact/Severity):

Causes (Likelihood):

Service: Housing Services

Current Status: Medium (10)

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 2 - Low

Head of Service: Nick Sanderson

Review Note:

Homes PDG Risk Management Report - Appendix 2

Risk: St Andrew Street A staircase in the new development does not meet current building regulations due to conservation requirements.

Effects (Impact/Severity):

Causes (Likelihood):

Service: Housing Services

Current Status: High (15)

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 3 - Medium

Head of Service: Nick Sanderson

Review Note: The staircase has to remain in position, no further issues reported from the housing team. We will continue to monitor and will take action where possible and permitted.

Risk: Widespread fire in block of flats Failure to carry out adequate fire risk assessments on our multiple occupancy properties, could result in widespread fire and death

Effects (Impact/Severity):

Causes (Likelihood):

Service: Housing Services

Current Status: Medium (10)

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 2 - Low

Head of Service: Nick Sanderson

Review Note:

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Risk Matrix Homes Appendix 3

Report
Filtered by Service: Housing Services
Current settings

Risk Likelihood	5 - Very High	No Risks	No Risks	No Risks	No Risks	No Risks
	4 - High	No Risks	No Risks	No Risks	1 Risk	No Risks
	3 - Medium	No Risks	No Risks	1 Risk	No Risks	2 Risks
	2 - Low	No Risks	No Risks	6 Risks	No Risks	3 Risks
	1 - Very Low	No Risks	No Risks	4 Risks	4 Risks	1 Risk
		1 - Very Low	2 - Low	3 - Medium	4 - High	5 - Very High
		Risk Severity				

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