

# Public Document Pack

Mid Devon District Council

## Homes Policy Development Group

Tuesday, 17 January 2017 at 2.15 pm  
Exe Room, Phoenix House, Tiverton

Next ordinary meeting  
Tuesday, 14 March 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  
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 15 November 2016 (copy attached).

### 4 **Chairman's Announcements**

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

5 **Motion 531 (Councillor T W Snow - 17 November 2016)**

To consider the following Motion referred by the Council to the Homes Policy Development Group:

“That as MDDC owns the land at Station Yard that we investigate and develop this land for our own local Council housing needs. This would help the extreme housing needs of our local residents as the cost of any houses built would be reduced by having no land purchase cost involved.

That our MP be kept informed in order to support this motion.”

***Please note: Having considered the above Motion the Policy Development Group are asked to consider whether this Motion should either be supported or rejected. This decision will be referred back to full Council on 22 February 2017.***

6 **Syrian Vulnerable Persons Scheme** (Pages 11 - 14)

To receive a report from the Head of Housing & Property Services providing an overview of the Syrian Vulnerable Person's Resettlement Scheme and possible implications for the Council.

7 **Financial Monitoring** (Pages 15 - 32)

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

8 **Final 2017/18 Housing Revenue Account (HRA) Budget** (Pages 33 - 44)

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

9 **General Fund Budget 2017/18 - Update** (Pages 45 - 60)

To receive a report from the Director of Finance, Assets and Resources considering options in order for the Council to move towards a balanced budget for 2017/18.

10 **Decant Policy** (Pages 61 - 72)

To receive a report from the Housing Services Manager reviewing the Decanting Policy.

11 **Performance and Risk** (*Pages 73 - 84*)

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 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.**

12 **Update on Empty Homes** (*Pages 85 - 90*)

To receive a briefing paper detailing the Council's approach to empty homes.

13 **Briefing on Home Improvement Loans** (*Pages 91 - 94*)

To receive a briefing paper regarding Home Improvement Loans.

14 **Identification of items for the next meeting**

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

- Financial Monitoring
- Performance and Risk
- Older Person's Housing and Service Strategy
- Vulnerability Policy
- Community Alarm Policy
- Chairman's annual report for 2016/17

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

**Stephen Walford**  
Chief Executive  
Monday, 9 January 2017

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

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

## MID DEVON DISTRICT COUNCIL

**MINUTES** of a **MEETING** of the **HOMES POLICY DEVELOPMENT GROUP** held on 15 November 2016 at 2.15 pm

### **Present**

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

### **Also Present**

**Councillors** R L Stanley and C J Eginton

### **Also Present**

**Officers** Andrew Jarrett (Director of Finance, Assets and Resources), 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)

## 41 **APOLOGIES AND SUBSTITUTE MEMBERS**

There were no apologies for absence.

## 42 **PUBLIC QUESTION TIME**

Laura Conyngham stated that she was representing the 'Welcoming Refugees in Crediton' organisation. She asked whether the Group were aware that her organisation had offered to work with the housing officer to undertake some of the practical tasks involved in housing refugee families thereby reducing the amount of time officers would need to dedicate to this?

Mr Arthur Shenton stated that he was a retired English teacher and now lived in Washfield. He was attending the meeting today with a number of other Washfield residents. They had been moved to tears by the images and stories on the news concerning the plight of innocent women, men and children. Locally they had raised over £2000 to help and other events were planned to raise more. Friends of his had a guest cottage which they were prepared to offer as accommodation for a Syrian family. He stated that this fitted the government's criteria having all the 'mod cons'. They had been inundated with offers of support including clothes, food and English lessons. He informed the group that today was the birthday of one of the most famous refugees of all time, Anne Frank and we should not forget that. He hoped that a decision would be made today to house as many families as the Council could. He stated that Devon as a whole were required to take 74 families, he asked how many specifically Mid Devon District Council would be rehousing and whether one at least of those could be resettled in Washfield?

#### 43 **MINUTES**

The minutes of the meeting held on 13 September 2016 were confirmed as a true and accurate record and **SIGNED** by the Chairman.

#### 44 **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman stated that before the meeting five members of the Group had attended a tour of the Old Road depot with the Building Services Manager. This had been very interesting and enjoyable. He thanked the officer concerned for giving up his time and providing such a warm welcome.

#### 45 **MEETING MANAGEMENT**

The Chairman stated that he would take item 11 'Verbal update on the Decent Homes' standard as the next item of business.

#### 46 **VERBAL UPDATE ON THE 'DECENT HOMES' STANDARD (00:03:00)**

At the previous meeting it was requested that the Group receive an update regarding the Council's performance in relation to the 'Decent Home' standard. The Building Services Manager explained that as at 31 October 2016 of the 3041 social housing properties the council owned only one had fallen outside of the 'Decent Homes' standard. There had been one repair element outstanding on this property which related to an upgrade of loft insulation, however, works had now been carried out and as at today's date 100% of the Council's properties were classed as having a 'Decent' standard.

Some tenants refused to have necessary works carried out. This was particularly true of some elderly tenants who did not want the upheaval. On these occasions, as soon as the property became vacant the works were carried out. Most money was spent on upgrades to kitchens and bathrooms. The Council was currently concentrating on repairs to roofing structures, windows and doors.

The repairs team were congratulated on the improvements made in recent years and the efficient way in which they worked. They were a credit to the Council.

#### 47 **COUNCIL MOTION - HOUSING SYRIAN REFUGEES (00:12:00)**

At its meeting on 26 October 2016 Council had agreed to support Motion no. 527 regarding Syrian refugees and had requested that the Motion be brought back to this group to discuss the finer details.

The Housing Options Manager provided the Group with a presentation regarding the Syrian Vulnerable Person's Scheme. This included the following information:

- Each Syrian refugee family came with a specific amount of funding which was intended to cover costs in relation to education, health and translation.
- Each property would need to be inspected in terms of health and safety and electricity and gas certificates.
- Legal documentation for each property may be required for anything from 12 months to 5 years.

- Furniture would also need to be provided.
- Based on the costings of other local authorities the cost to the Council was estimated to be £5,500 in officer time based on looking after one family for a year. Over a 5 year period staff costs would increase to over £13,500.
- At the end of the 5 year period the property condition may have deteriorated and this would need to be returned to the original state before re-letting it. Based on previous experience costs in relation to this could be anything from £1k to £6k.
- It was not intended that the original funding covered the cost of setting up a property.
- Rents would only be at the local housing allowance rate not at the normal market rent which may dissuade some landlords from coming forward.

Discussion took place regarding:

- The Council not being able to say categorically at this stage how many families they were prepared to re-house.
- It was explained that Exeter City Council had taken one family, as had East Devon District Council and Teignbridge District Council. West Devon Borough Council had taken two.
- It was clarified that the scheme related to families and not lone individuals.
- A lot of work needed to be done to understand the practical elements involved and any associated risks.
- Enough private sector landlords needed to come forward.
- Members needed a clearer understanding of the impact on officer time.
- Certain infrastructure was needed in addition to a suitable property such as available school placements.
- The Council needed to avoid further procrastination but also needed to fully understand the costs involved and the pitfalls to avoid especially for the families concerned.

**RESOLVED** that a Working Group be established to meet as soon as possible to gain an understanding of the issues involved and to come back with a recommendation for the next meeting which would then be forwarded to the Cabinet for approval. The Working Group to consist of Councillors: Mrs G Doe, P J Heal, F W Letch and one of the movers of the original Motion to Council. Meetings of the Working Group would also be attended by the Cabinet Member although he would not have any voting rights.

(Proposed by the Chairman)

#### 48 **FINANCIAL MONITORING - FOR THE 6 MONTHS TO SEPTEMBER 2016 (00:42:28)**

The Group had before it, and **NOTED**, 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.

The Group was referred to a table showing the opening position of key operational balances of the Council, the forecasted in year movements and the final predicted position at 31 March 2017. The General Fund was currently showing an overspend of

£34k in year movement. The most significant service movements related to £220k savings as a result of the Shared Waste Agreement and a £83k deterioration in Leisure Services, made up of both costs and income.

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

#### 49 **DRAFT 2017/18 GENERAL FUND AND CAPITAL BUDGETS (00:45:35)**

The Group had before it, and **NOTED**, a report from the Director of Finance, Assets & Resources considering 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.

The draft General Fund budget for 2017/18 was based on the following assumptions:

- a) Council Tax has been increased by £5 as an illustration with an increased property growth of 200.
- b) 2017/18 salary budgets included an increase of 1%.
- c) Car parking fees were based upon 2016/17 fees and vends.
- d) All earmarked reserves had been reviewed and adjustment made based upon existing need.
- e) All income flows had been reviewed and adjusted for changes in demand and unit price.
- f) Investment income had been based upon the existing lending criteria now in force.
- g) Support services had been inflated in accordance with the pay award.
- h) No reductions to grant budgets had been made

The following additional factors were brought to the Group's attention:

- At this time of year the budget was very much an evolving process.
- The Chancellors Autumn Statement was expected next week.
- Business Rates and New Homes Bonus were currently being consulted on.
- The Housing Department sought to house homeless people in temporary accommodation rather than put them in Bed and Breakfast establishments, however, preventing homelessness in the first place was a high priority for the department.
- The government provided a grant to the Council for any Business Rates they were unable to collect.
- Assumptions had been made in the draft budget for rising fuel costs.

It was confirmed that the Director of Finance, Assets & Resources would be providing briefings to Members on the budget over the coming weeks.

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

#### 50 **HRA MEDIUM TERM FINANCIAL STRATEGY (01:06:23)**

The Group had before it, and **NOTED**, 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.



It was explained that the largest number in the Housing Revenue Account (HRA) related to the dwelling rent figure. Central government had indicated that Mid Devon's Formula Rent would now decrease 1% each year for the next three years. The Medium Term Financial Strategy had assumed this reduction, however, the report concluded by stating the HRA should be able to deliver the services it proposed.

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

#### 51 **DRAFT 2017/18 HOUSING REVENUE ACCOUNT (HRA) BUDGET (01:10:57)**

The Group had before it, and **NOTED**, 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.

The draft HRA budget was currently showing a balanced position although it was expected that some of the figures would change before the next Group meeting.

It was proposed that the average weekly rent for a social rented property would be £79.05 and the average weekly rent for an affordable property would be £111.27. There were further proposals to slightly increase other fees and charges such as community alarms and garage rents although it was proposed that ground rents would be frozen.

A brief discussion took place regarding empty garages. Void figures were lower than they had been for a long time. Some void garages were not necessarily in the right location for some people. Void garages were being looked at as part of a scheme for redevelopment.

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

#### 52 **PERFORMANCE AND RISK FOR THE SECOND QUARTER OF 2016/17 (01:17:27)**

The Group had before it, and **NOTED**, 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.

The Internal Auditor explained that most of the performance indicators were at target or were slightly below and the report included notes to explain any variances.

The Group expressed concern at the different types of coloured green within the report and asked that the differences be made clearer in the future.

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

#### 53 **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:

- Refugee Working Group report
- Wessex Loan Scheme update
- Empty Homes update

(The meeting ended at 3.38 pm)

**CHAIRMAN**

**HOMES PDG  
17 JANUARY 2017**

## **HOUSING SERVICES: SYRIAN VULNERABLE PERSONS SCHEME**

**Cabinet Member(s):** Cllr Ray Stanley  
**Responsible Officer:** Nick Sanderson, Head of Housing & Property Services

**Reason for Report:** The report provides an overview of the Syrian Vulnerable Persons' Resettlement Scheme (SVPRS), and possible implications for the Council. The Refugee Working Group met on 22<sup>nd</sup> November 2016, and this topic was discussed in detail at this meeting in accordance with the first recommendation from the Homes Policy Development Group (PDG).

**RECOMMENDATION:** That the Cabinet recommends to the Council that up to five refugee families are housed/ supported for the duration of the scheme, providing the costs are met by the Devon County Council (DCC)-led resettlement programme. (Note: the programme is currently of 5 years duration)

**These refugee families will be accommodated in Private Sector accommodation. However, further consideration must be given to the need for support (help) which will involve a minimum of weekly visits by one or more Officers; and also an exit strategy involving the landlord, the Council and DCC.**

**Relationship to Corporate Plan:** The Council will be working with local communities together with Town and Parish Councils, to enable them to provide a stronger community.

**Financial Implications:** As detailed within the report, where it will explain what impact the SVRPS will have on the Council's current service provisions and costings. Other financial implications will involve Officer-time setting up the scheme; and ongoing costs are outlined later in the report. With a reducing grant from Central Government, this Authority, like others, is currently reviewing service provision. Any costings for this project (the SVRPS) will have a detrimental impact upon budgets.

**Legal Implications:** There is no Statutory Duty for the Council to participate in the resettlement programme although mandatory quotas could be introduced, for example, through the Immigration Bill 2015/2016, in the event that there are not enough places available nationally.

All families who move into Mid Devon through the SVPRS will have leave to remain in the country.

The Council will need to have a legal agreement with the landlords offering the Private Sector Leased (PSL) accommodation, setting out respective roles and responsibilities. This work can be done in-house by the Legal Service but will need to be resourced, which may impact upon the day to day work of the Solicitors and other Officers in the Service.

**Risk Assessment:** Risk assessments for families placed into accommodation under the SVPRS will be made by the Officers working on that scheme, the Home Office and the Border Agency. There is an associated risk with PSL properties where the landlord agrees to let their property to people being rehoused under the SVPRS and where that tenant and their household move out before the end of their tenancy. The situation could arise whereby the Council could be left with a property that is unusable as the Agreement with the landlord will be based upon the provisions of the SVPRS which specifies that the minimum let will be 5 years. Generally, if PSL properties are to be let to people who are homeless and for whom the Council has accepted a homeless duty, a shorter tenancy would be expected.

When the scheme comes to an end, the property will require repairs and/or decorating. Responsibility for routine maintenance is likely to rest with the Council. Robust housing management procedures must be implemented to ensure compliance with tenancy conditions and to minimise damage.

## 1.0 Introduction

- 1.1 At the full Council meeting on 31st August 2016, motion 527 was referred to the PDG stating “That this Council supports the Syrian Vulnerable Person’s Resettlement Scheme (SVPRS) as detailed and commits to working with the private sector to achieve placements”.
- 1.2 A presentation was given to the PDG on 15<sup>th</sup> November 2016 indicating some of the potential financial impacts of the scheme. The PDG recommended setting up a working group for the SVPRS.
- 1.3 On 22<sup>nd</sup> November 2016, further information was presented to the working group by the Housing Options Manager together with a representative from the SVPRS at DCC, who gave an update on the current progress across the county; and an opportunity for the working group to ask questions.
- 1.4 The Housing Options Manager talked about the financial impacts and the minimum costings over the 5 year scheme. The impact on frontline services will include:
  - 1.4.1 Additional costs associated with advertising
  - 1.4.2 Work associated with assessing and selecting suitable properties
  - 1.4.3 Setting up costs (see: “Cost Implications” below)
  - 1.4.4 Rent Recovery

1.4.5 Property monitoring

1.4.6 Void management

1.4.7 Impact on front line services:

- a) Homeless applicants having to wait longer for an Officer to deal with their enquiry
- b) Potential delays with regard to the processing of homeless applications
- c) Leaving families in bed and breakfast longer periods
- d) Increased temporary accommodation expenditure
- e) Delays in allocating properties in the Council's own stock and the potential increase in void turnaround times
- f) Delays in relation to the processing of housing waiting list applications

1.5 The additional workload may lead to a requirement for additional staffing to maintain existing service levels.

## 2.0 Cost Implications

2.1.1 On 15<sup>th</sup> November 2016, a discussion was held detailing some of the costs associated with the SVPRS. These points included:

- a) Each Syrian refugee family will come with a specific amount of funding which was intended to cover costs in relation to education, health and translation
- b) Each property used as part of the scheme will need to be inspected in terms of health and safety and will need electrical and gas certificates.
- c) Legal documentation for each property may be required for anything from 12 months to 5 years.
- d) A need for furniture
- e) Based on the costings of other local authorities, the cost to the Council was estimated to be in excess of £5,500 in Officer-time, based on looking after one family for a year.
- f) At the end of the 5 year period, the property will require redecoration to return it to the condition it was in at the start of the arrangement.
- g) Possible void costs

2.2 The Refugee Lead Officer from Devon County Council provided the Group with information on the following:

2.2.1 Funding for the scheme from the Home Office

2.2.2 Assistance available to the local authority from the SVPRS

2.2.3 Progress of the first arrival of refugees

2.2.4 Number of properties currently in the pipeline

2.2.5 Sourcing properties

2.2.6 Reasonable costings for setting up properties

2.2.7 DWP and Home Office background information

### 3.0 Conclusion

- 3.1 The working group resolved that the Cabinet should recommend that the Council seeks to house up to five refugee families for the duration of the scheme, providing the costs are met by the DCC-led resettlement programme.
- 3.2 The DCC representative stated that further talks are in progress with the Home Office, DCC and other local authorities as to the associated costs. The next meeting is scheduled to take place on Tuesday, 10<sup>th</sup> January 2017.
- 3.3 Subject to approval by Cabinet, and successful housing and support provision being sourced, the indicative date to receive the first Syrian refugee families would be March/April 2017.
- 3.4 It is to be noted that no firm costings are available and that any sums included above are minimum estimated figures.

**Contact for more Information:** Mike Parker, 01884 234906  
[mparker@middevon.gov.uk](mailto:mparker@middevon.gov.uk)

**Circulation of the Report:** Councillor Ray Stanley

#### List of Background Papers:

- [MINUTES of a MEETING of the HOMES POLICY DEVELOPMENT GROUP held on 15 November 2016 at 2.15 pm](#)
- **MINUTES of a MEETING of the REFUGEE WORKING GROUP** held on 22 November 2016 at 2.00 pm (hyperlink)
- Syrian Refugee Resettlement Guide: (68 Pages)  
[http://www.local.gov.uk/documents/10180/7632544/1.11\\_resettlement\\_guide\\_08.pdf/cc6c7b51-23a8-4621-b95c-a30bc3da438e](http://www.local.gov.uk/documents/10180/7632544/1.11_resettlement_guide_08.pdf/cc6c7b51-23a8-4621-b95c-a30bc3da438e)

**CABINET**  
5 January 2017

**AGENDA ITEM**

## **FINANCIAL UPDATE FOR THE EIGHT MONTHS TO 30 NOVEMBER 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):** 1. The Cabinet note the financial monitoring information for the income and expenditure so far for the 2016/17 financial year.

2. To note the Director of Finance, Assets and Resources decision to increase the Authority's holding in the CCLA Commercial Property Fund by an additional £1m as referred to in para 9.2.

**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
<b>Revenue</b>			
General Fund – see note	(2,211)	52	( 2,159)
Housing Revenue Account (see paragraph 4.2)	(2,000)	0	(2,000)
<b>Capital</b>			
Major Repairs Reserve	0	0	0
Capital Receipts Reserve	(1,442)	(967)	(2,409)
Capital Contingency Reserve	(567)	239	(328)

## 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 £52k as shown at Appendix A. The most significant *service* movements this month comprise:

Non Domestic Rates 15/16 Devon pooling gain	(50)k
Development Control staff vacancies	£(42.6)k
Discretionary Housing Payment funding greater than budgeted	£(30)k
Waste fuel savings	£(28)k
Leisure income under budget	£50k
Development Control fee income down	£45k
Redundancy costs of Head of Communities and Governance following restructure	£30k
Housing Benefit subsidy position has deteriorated	£30k
Building Control fee income down	£20k
Leisure salaries over budget following restructure	£19k
Pension backfunding costs revised	£17k
Hire of vehicles due to running an aged fleet	£17k

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 £241k 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 is forecast to underspend of £241k in 2016/17, the most significant items of which comprise the following:

- £107k of savings across Housing Services, including significant staffing savings across several teams, largely due to vacancies going unfilled for the early part of the year as well as several smaller variances in operational areas
- £38k surplus is forecast on dwelling rent since this area is slightly ahead of target at this stage
- £61k saving forecast where the Learning Disability service ceased to operate and fewer than expected new alarms need to be purchased since stock levels are healthy

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)
	<b>3,325</b>	<b>306</b>	<b>(3,019)</b>

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

## **5.0 Major Repairs Reserve**

- 5.1 The Major Repairs Reserve had a nil balance at 31 March 2016. After this year's capital expenditure and funding of the Major Repairs Reserve the closing balance is forecast to be £0k. Whilst there is a forecast underspend of £185k 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 £7,513k 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 £3,070k (£10,583k - £7,513k).
- 6.3 At this stage in the year the forecast underspend amounts to £687k, £185k 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, £84k in relation to various ICT projects, £50k in relation to a land drainage scheme to be delivered by DCC & £163k in relation to the project to bring the Department of Work and Pensions into Phoenix House, which will be more appropriately be coded to revenue and funded in full from a contribution from Department of Work and Pensions.
- 6.4 Currently the forecast slippage to be carried forward to 17/18 amounts to £3,799k, this mainly relates to delays with the contractor for delivery of council house building projects at Palmerston Park and Birchen Lane amounting to £1,900k and replacement vehicles which will now be purchased during Q1 of 17/18 amounting to £1,129k, for further information on this detail please refer to Appendix G.

## **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	239
<b>Forecast Balance at 31 March 2017</b>	<b>(328)</b>

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

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

	£k
Unapplied Useable Capital Receipts at 1 April 2016	(1,442)
Net Receipts to date (includes 15 "Right to Buy" Council House sales)	(1,304)
<b>Current Balance</b>	<b>(2,746)</b>
Forecast further capital receipts in year	(459)
Forecast capital receipts to be applied in year	796
Forecast Unapplied Capital Receipts c/fwd. 31 March 2017	<b>(2,409)</b>

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

## 9.0 Treasury Management

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

### Interest Receivable:

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

9.2 We have been reviewing our current holdings of cash balances and looking ahead to the expected receipt of £900k from the Premier Inn project. We recommend to Cabinet that a further £1m investment be added to the CCLA Commercial Property Fund as soon as possible.

9.3 The returns experienced to date (In excess of 4%) have far exceeded what we are able to earn on cash based deposits with approved banks and H M Treasury at present. In addition we do not envisage requiring the money for some considerable time. The expected additional return of circa £40k from the investment will help support our budgets.

## **10.0 Conclusion**

10.1 Members are asked to note the revenue and capital forecasts for the financial year. Managers have been working hard to offset overspends, many unavoidable or unforeseen, with budget savings to deliver an outturn close to the budget.

10.2 The financial monitoring process is important and the pressures and experience of the year to date is fed into next year's budget forecasts to try to ensure that the budget set is both robust and realistic. Indeed, after budgetary cuts for a number of years, it is clear that a number of service areas are stretched in providing services to our community. Our current budget deficit for 2017/18, following our draft 2017/18 grant settlement is the subject of another Cabinet report.

**Contact for more information:**

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**Circulation of the Report:**

Cllr Peter Hare-Scott, Management Team

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

			2016/17 Annual Budget	Full Year Forecast (0 = On budget)	Variance
Com	General Fund Summary	Note	£	£	%
	<b>Cllr C J Eginton</b>				
CM	Corporate Management	A	1,139,580	(18,000)	-1.6%
LD	Legal & Democratic Services: Member/Election Services	B	579,870	(34,000)	-5.9%
	<b>Cllr K Busch</b>				
CP	Car Parks	C	(616,390)	6,150	1.0%
ES	Cemeteries & Public Health	D	(47,610)	45,772	-96.1%
ES	Open Spaces	F	54,800	15,000	27.4%
GM	Grounds Maintenance	E	562,130	(10,130)	-1.8%
WS	Waste Services	H	1,775,510	80,200	4.5%
	<b>Cllr C R Slade</b>				
CD	Community Development	I	414,980	6,000	1.4%
ES	Environmental Services incl. Licensing	D	552,870	19,400	3.5%
IT	IT Services	Q	879,310	(20,800)	-2.4%
PR	Planning - Land charges	N	(24,600)	(22,000)	89.4%
RS	Recreation And Sport	J	(82,410)	305,000	-370.1%
	<b>Cllr P H D Hare-Scott</b>				
FP	Finance And Performance	K	680,960	0	0.0%
RB	Revenues And Benefits	L	266,600	(30,000)	-11.3%
	<b>Cllr R L Stanley</b>				
ES	ES: Private Sector Housing Grants	D	165,720	(12,100)	-7.3%
HG	General Fund Housing	M	232,470	(500)	-0.2%
PS	Property Services	G	272,580	14,980	5.5%
	<b>Cllr R J Chesterton</b>				
CD	Community Development: Markets	I	(3,410)	45,000	1319.6%
PR	Planning And Regeneration	N	741,670	184,958	24.9%
	<b>Cllr M Squires</b>				
CS	Customer Services	O	860,060	(76,000)	-8.8%
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	(12,000)	-5.6%
	<b>All General Fund Services</b>		<b>9,174,720</b>	<b>497,730</b>	<b>5.4%</b>
	Net recharge to HRA		(1,265,490)	0	
IE260	Interest Payable		146,030	0	
IE290	Interest Receivable on Investments		(171,000)	(30,000)	
	Interest from Funding provided for HRA		(54,000)	0	
	New Homes Bonus Grant		(1,831,460)	0	
	Sundry Grants		0	0	
ABFGF	Statutory Adjustments (Capital charges)		400,720	0	
TREMR	Net Transfer to/(from) Earmarked Reserves	APP B	2,169,990	(366,067)	
	<b>TOTAL BUDGETED EXPENDITURE</b>		<b>8,569,510</b>	<b>101,663</b>	<b>1.2%</b>
	Non Domestic Rates - 15/16 Devon Pooling Gain			(50,145)	
	Formula Grant		(2,973,150)	0	
	Rural Services Delivery Grant		(463,810)	0	
	Transitional Grant		(31,630)	0	
	Council Tax		(5,147,940)	0	
	CTS Funding Parishes		55,250	0	
	Collection Fund Surplus		(8,230)	0	
	<b>TOTAL BUDGETED FUNDING</b>		<b>(8,569,510)</b>	<b>0</b>	<b>0%</b>
	<b>Forecast in year (Surplus) / Deficit</b>		<b>0</b>	<b>51,518</b>	
	General Fund Reserve 01/04/16			(2,211,035)	
	<b>Forecast General Fund Balance 31/03/17</b>			<b>(2,159,517)</b>	

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

Note	Description of Major Movements	Full Year Forecast Variation (Net of Trf to EMR)	PDG
<b>A</b>	<b>Corporate Management</b>		
	Pension backfunding costs are less than budgeted	(18,000)	Cabinet
		(18,000)	
<b>B</b>	<b>Legal &amp; Democratic Services</b>		
	Individual Electoral Registration - unbudgeted grant funding received	(34,000)	Cabinet
	Legal Services - savings on the salary funded by New Homes Bonus (compensating entry on Earmarked reserves)	(4,000)	Cabinet
	Legal Services - income greater than budgeted	(8,000)	Cabinet
		(46,000)	
<b>C</b>	<b>Car Parks</b>		
	Pay and Display income down against budget	25,000	Economy
	Increase in off-street fines	(14,000)	Economy
	Maintenance underspend	(4,850)	Economy
		6,150	
<b>D</b>	<b>Environmental Services combined</b>		
	Redundancy costs for the Bereavement Services Manager	28,772	Environment
	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
	Internments/Exclusive Burial rights income down.	17,000	Environment
	Environmental Enforcement salary underspend from part year vacant post	(10,000)	Community
	Systems Admin post and Essential user allowance.	16,400	Community
	Increased income on water testing	(12,000)	Community
	Overspend on agency costs to cover sickness in E/Health	12,000	Community
	Overspend on equipment budget in Control of Pollution due to new tubes for monitoring stations	5,000	Community
	Licensing income over and above budget	(10,000)	Community
	Licensing salaries - temporary increase in staff hours	6,000	Community
		41,072	
<b>E</b>	<b>Grounds Maintenance</b>		
	Redundancy costs for the Grounds Maintenance Manager - partly offset by salary underspends	30,470	Environment
	Salary underspends due to vacant posts	(69,600)	Environment
	Agency costs overspend due to sickness/vacant post	20,000	Environment
	Underspend on fuel budgets	(6,000)	Environment
	Increased supplies & services costs	3,000	Environment
	Reduced income received from Devon County Council on grass cutting part offset by parish/town Council contributions	3,000	Environment
	Reduction in tree works carried out for the HRA	9,000	Environment
		(10,130)	
<b>F</b>	<b>Open Spaces</b>		
	Overspend on Play Area's maintenance budget	15,000	Environment
		15,000	
<b>G</b>	<b>Property Services</b>		
	Refurbishment of the toilets at the Town Hall - funded from EMR (see below)	11,920	Homes
	Salary savings within Property Services due to vacant posts for part of the year (part off-set by Agency overspend)	(35,000)	Homes
	Agency overspend in Property Services	11,500	Homes
	Sale of Land - this has now been moved to Capital	0	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 Department of Work and Pensions	(8,000)	Homes
	Rates & services charges paid on two vacant units in Market Walk	18,000	Homes
	Shortfall in rental income at year end due to back dated rent review of one tenant	10,000	Homes
	Rental income & Feed in Tariff income from Moorhayes Community	(7,000)	Homes
		14,980	

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

Note	Description of Major Movements	Full Year Forecast Variation (Net of Trf to EMR)	PDG
<b>H</b>	<b>Waste Services</b>		
	Vehicle repairs, running aged fleet until replacement need is known	25,000	Environment
	Hire of vehicles due to running an aged fleet, replacements anticipated in quarter 4.	67,000	Environment
	Fuel savings	(28,000)	Environment
	Trade waste - landfill disposal charges higher than anticipated	12,000	Environment
	Garden waste income, based on current number of customers and forecast uptake for remainder of year	90,000	Environment
	Recycling income - due to an increase in price and tonnages	(103,000)	Environment
	Increase in rent and rates for the new depot	61,200	Environment
	Moving and fit out costs for the new waste depot above budget (see ear marked reserve)	156,000	Environment
	Shared landfill disposal savings with DCC. Agreed by DCC Cabinet now delegated to the Head of Highways, Capital Development and Waste and the Cabinet Member to agree details	(200,000)	Environment
		80,200	
<b>I</b>	<b>Community Development</b>		
	Market - income and maintenance. Market Manager actively seeking new traders	45,000	Economy
	Grant spend (covered by Seed Fund ear marked reserve)	12,000	Community
	Reduction in hours and not back-filling a member of staff	(11,500)	Community
	Redundancy costs for Head of Communities and Governance	12,000	Community
	Salary savings, Grant and Funding Officer left part way through year	(6,500)	Community
		51,000	
<b>J</b>	<b>Recreation And Sport</b>		
	All sites: Overhead overspend (various including new equipment and event supplies)	54,000	Community
	All sites: Income year end under target	140,000	Community
	All sites: Salaries overspend (various including management restructure)	111,000	Community
		305,000	
<b>K</b>	<b>Finance And Performance</b>		
		0	
<b>L</b>	<b>Revenues And Benefits</b>		
	Housing Benefit Subsidy	(30,000)	Community
		(30,000)	
<b>M</b>	<b>General Fund Housing</b>		
	Salary savings from maternity leave not being backfilled and element of team leader post now in Affordable Housing	(5,500)	Homes
	Utilisation of Discretionary Housing Payment Funding greater than budgeted	(20,000)	Homes
	Provision on Deposit & Rent advances	25,000	Community
		(500)	
<b>N</b>	<b>Planning And Regeneration</b>		
	Grant spend (covered by High Street Innovation Fund ear marked reserve)	43,308	Community
	Business Development - salary savings due to a restructure	(22,400)	Community
	Building Control: Salary savings net of Exeter City Council plan checking	(9,000)	Community
	Building Control: Fee income down - due to economic conditions and competition	20,000	Community
	Development Control: Salaries - staff vacancies	(67,600)	Community
	Development Control: Consultancy costs	16,100	Community
	Development Control: Fees & Charges net of future large applications	136,000	Community
	Land charges fees and charges	(20,000)	Community
	Devon County Council land charges costs	(2,000)	Community
	Tiverton Eastern Urban Extension - Consultancy (Covered by Earmarked reserve)	36,000	Community
	Forward Planning: Local Plan Examination now to occur in 2017/18 transfer to EMR	(78,000)	Community
	Regional Planning: Greater Exeter Strategic Plan agreed by Cabinet	70,000	Community
	Regional Planning: Greater Exeter Strategic Plan - Fixed term post	10,330	Community
	Local Plan development costs	46,300	Community
	Salary savings from the Town Centre Manager post	(16,080)	Community
		162,958	

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

Note	Description of Major Movements	Full Year Forecast Variation (Net of Trf to EMR)	PDG
<b>O</b>	<b>Customer Services</b>		
	Salary savings on digital strategy - difficulties with staff recruitment and some projects on hold	(65,000)	Cabinet
	Salary savings -delay in recruitment of part time phone team post	(5,000)	Cabinet
	Software savings	(6,000)	Cabinet
		<b>(76,000)</b>	
<b>P</b>	<b>Human Resources</b>		
	Salary overspend in HR due to Systems Admin additional post, JE regrades & apprentice has become HR Assistant.	30,000	Cabinet
	Salary underspend in Payroll due to reduction in hours	(9,000)	Cabinet
	Salary underspend in Learning & Development due to vacant post	(6,600)	Cabinet
	Salary overspend in Health & Safety due to JE regrade	8,400	Cabinet
		<b>22,800</b>	
<b>Q</b>	<b>I.T. Services</b>		
	Increase in annual Microsoft licence fee	18,600	Cabinet
	Aerial photography carried out every 3 years (covered by ear marked reserve)	2,800	Cabinet
	Salary savings due to a restructure	(36,000)	Cabinet
	Internal routing system not required and underspend against replacement budget	(19,000)	Cabinet
	Budgeted spend on capital programme <£20k to be classed as revenue. Please refer to Capital App G CA444	12,800	Cabinet
		<b>(20,800)</b>	
	<b>FORECAST (SURPLUS)/DEFICIT AS AT 31/03/17</b>	<b>497,730</b>	

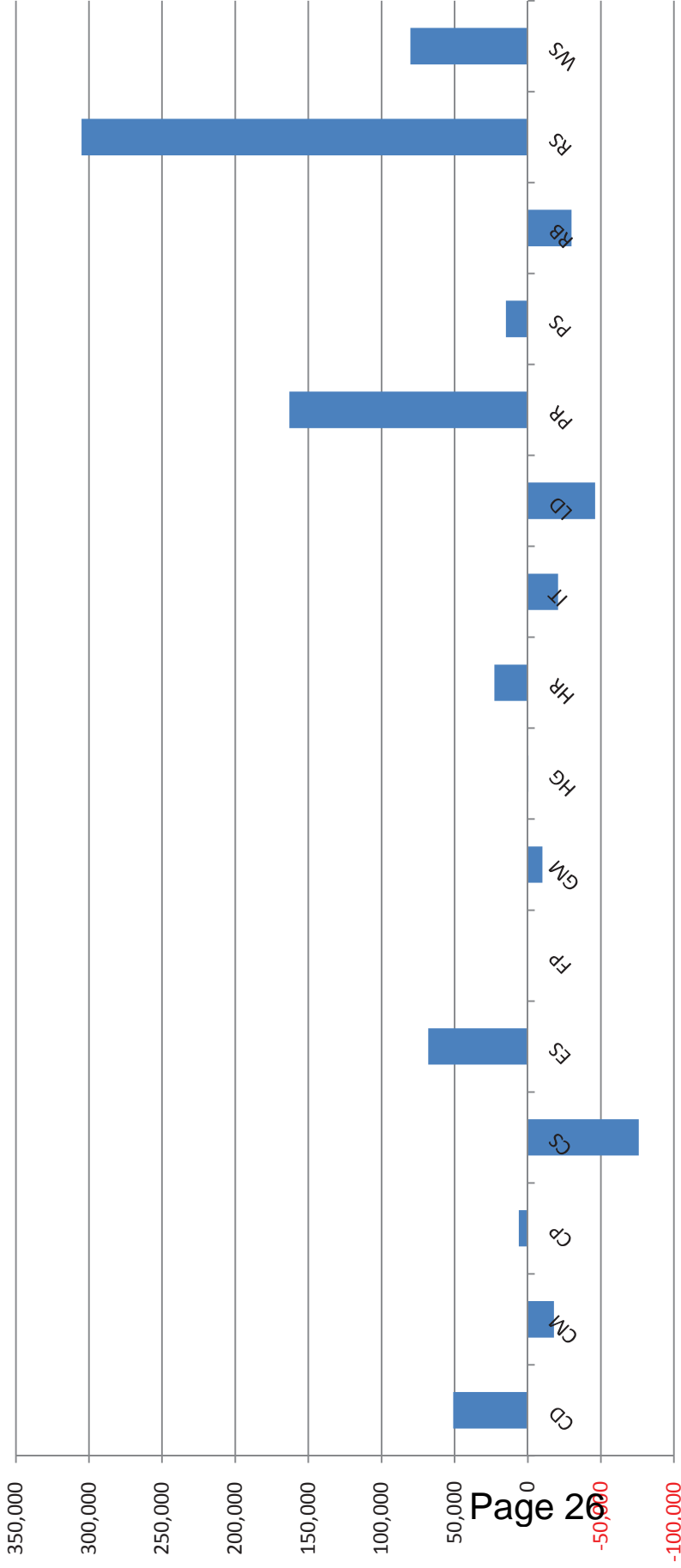
<b>Cabinet</b>	<b>(138,000)</b>
<b>Community</b>	<b>476,358</b>
<b>Homes</b>	<b>(22,620)</b>
<b>Environment</b>	<b>130,842</b>
<b>Economy</b>	<b>51,150</b>
	<b>497,730</b>



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

Committee	Net Transfers to / from Earmarked Reserves	(Net Trf to EMR)
<b>CD</b>	Community Development	
	Grant spend from Seed Fund earmarked reserve released	(12,000)
	New Homes Bonus monies earmarked for additional Grants and Funding Officer post	(14,710)
	Grand Western Canal grant funded by New Homes Bonus	(45,000)
<b>CM</b>	Corporate Management	
<b>CP</b>	Car Parks	
<b>CS</b>	Customer Services	
	Contribution towards digital strategy salaries	(37,030)
	Release of historic EMRs - no longer required	(3,000)
<b>ES</b>	Cemeteries & Public Health	
	EMR release for Public Health Officer	(18,950)
	Parks & Open Spaces Developers Contributions	(7,860)
	Play Area's Developers Contributions	(10,870)
	Newcombes Play Area enhancement funded from S106 Monies	(9,326)
<b>FP</b>	Finance And Performance	
<b>GM</b>	Grounds Maintenance	
<b>HG</b>	General Fund Housing	
<b>HR</b>	Human Resources	
	Management Training 16/17	(30,000)
<b>IT</b>	IT Services	
	Aerial photography ear marked reserve released	(2,800)
<b>LD</b>	Legal & Democratic Services: Member/Election Services	
	Contribution towards additional staffing requirement	(14,180)
	Release of unused EMR by Elections	(7,000)
	Release of unused EMR by Democratic Republic & Management	(5,300)
<b>PR</b>		
	Grant spend from High Street Innovation Fund ear marked reserve released	(43,308)
	New Homes Bonus monies earmarked for the Town Centre Manager post	(26,640)
	Contribution towards Economic Development activities	(100,000)
	Development Control earmarked reserve released	(51,943)
	New Homes Bonus used to cover £70k Exeter Strategic Partnership	(70,000)
	New Homes Bonus used to cover Exeter Strategic Partnership Fixed term post	(10,330)
	Local Plan examination in 2017/18 - transfer to EMR	78,000
	Eastern Urban Extension - funds released from Capability Funding EMR	(36,000)
	Local plan development release funds from statutory development fund earmarked reserve	(46,300)
<b>PS</b>	Property Services	
	Town Hall Toilet refurbishment	(11,300)
	Market Walk Profit	202,410
	Release of Market Walk profit	(150,000)
<b>RB</b>	Revenues And Benefits	
<b>RS</b>	Recreation And Sport	
<b>WS</b>	Waste Services	
	New Homes Bonus monies earmarked for the new waste depot, move and fit out costs	(256,000)
<b>Various</b>	Sinking fund contributions for vehicles & plant	711,900
<b>IE</b>		
	New Homes Bonus monies earmarked for capital and economic regeneration projects	1,831,460
	<b>Net Transfer to / (from) Earmarked Reserves</b>	<b>1,803,923</b>
	Budgeted Net Transfer to Reserves	2,169,990
	<b>Forecast Variance</b>	<b>(366,067)</b>

## 2016/17 General Fund Projected Outturn Variance £



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

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



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

	2016/17	2016/17	2016/17	2016/17
	Annual Budget	Profiled Budget	Actual	Variance
	£	£	£	£
<b>Total Employee Costs</b>				
<b>General Fund</b>				
Community Development	295,180	196,787	183,089	(13,698)
Corporate Management	901,960	601,307	583,214	(18,093)
Customer Services	764,610	509,740	450,066	(59,674)
Environmental Services	923,320	615,547	655,305	39,758
Finance And Performance	632,710	421,807	413,619	(8,188)
General Fund Housing	197,330	131,553	124,580	(6,973)
Grounds Maintenance	448,900	299,267	262,630	(36,637)
Human Resources	361,460	240,973	252,335	11,362
I.T. Services	522,100	348,067	315,961	(32,106)
Legal & Democratic Services	417,660	278,440	254,013	(24,427)
Planning And Regeneration	1,525,620	1,017,080	899,768	(117,312)
Property Services	385,320	256,880	231,196	(25,684)
Recreation And Sport	1,630,750	1,087,167	1,155,276	68,109
Revenues And Benefits	668,450	445,633	456,734	11,101
Waste Services	1,863,780	1,242,520	1,179,455	(63,065)
	<b>11,539,150</b>	<b>7,692,768</b>	<b>7,417,240</b>	<b>(275,528)</b>
<b>Housing Revenue Account</b>				
SHO13A Repairs & Maintenance	593,480	395,653	389,989	(5,664)
SHO17A Housing & Tenancy Services	1,432,670	955,113	648,536	(306,577)
SHO22 Alarms expenditure	66,720	44,480	19,279	(25,201)
	<b>2,092,870</b>	<b>1,395,246</b>	<b>1,057,804</b>	<b>(337,442)</b>
<b>Total</b>	<b>13,632,020</b>	<b>9,088,014</b>	<b>8,475,044</b>	<b>(612,970)</b>

	2016/17	2016/17	2016/17	2016/17
	Annual Budget	Profiled Budget	Actual	Variance
	£	£	£	£
<b>Agency Staff</b>				
<b>General Fund</b>				
Car Parks	0	0	0	0
Community Development	0	0	0	0
Corporate Management	0	0	0	0
Customer Services	0	0	1,621	1,621
Environmental Services	0	0	4,034	4,034
Finance And Performance	0	0	0	0
General Fund Housing	0	0	0	0
Grounds Maintenance	5,000	3,333	14,439	11,106
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	9,890	9,890
Recreation And Sport	0	0	0	0
Revenues And Benefits	0	0	0	0
Waste Services	128,500	85,667	103,373	17,706
	<b>133,500</b>	<b>89,000</b>	<b>133,356</b>	<b>44,356</b>
<b>Housing Revenue Account</b>				
SHO13A Repairs & Maintenance	0	0	3,622	3,622
SHO17A Housing & Tenancy Services	0	0	25,301	25,301
SHO22 Alarms expenditure	0	0	0	0
	<b>0</b>	<b>0</b>	<b>28,923</b>	<b>28,923</b>
<b>Total</b>	<b>133,500</b>	<b>89,000</b>	<b>162,279</b>	<b>73,279</b>

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

		2016/17 Annual Budget	Forecast	Variance
Housing Revenue Account (HRA)	Notes	£	£	%
<b>Income</b>				
SHO01 Dwelling Rents Income	<b>A</b>	(12,593,760)	(38,000)	0.3%
SHO04 Non Dwelling Rents Income	<b>B</b>	(554,070)	(11,000)	2.0%
SHO06 Tenant Charges For Services	<b>C</b>	(42,360)	32,000	-75.5%
SHO07 Leaseholders' Service Charges	<b>D</b>	(23,540)	0	0.0%
SHO08 Contributions Towards Expenditure	<b>E</b>	(33,720)	0	0.0%
SHO09 Alarm Income - Non Tenants	<b>F</b>	(194,660)	(11,000)	5.7%
SHO10 H.R.A. Investment Income	<b>G</b>	(40,000)	0	0.0%
SHO11 Miscellaneous Income	<b>H</b>	(19,000)	0	0.0%
<b>Services</b>				
SHO13A Repairs & Maintenance	<b>I</b>	3,214,780	(48,000)	0.0%
SHO17A Housing & Tenancy Services	<b>J</b>	1,354,750	(107,000)	-7.9%
SHO22 Alarms expenditure	<b>K</b>	152,200	(61,000)	-40.1%
<b>Accounting entries 'below the line'</b>				
SHO29 Bad Debt Provision Movement	<b>L</b>	25,000	0	0.0%
SHO30 Share Of Corporate And Democratic	<b>M</b>	177,400	1,000	0.6%
SHO32 H.R.A. Interest Payable	<b>N</b>	1,268,030	0	0.0%
SHO34 H.R.A. Transfers between earmarked reserves	<b>O</b>	2,393,010	0	0.0%
SHO36 H.R.A. R.C.C.O.	<b>P</b>	24,000	0	0.0%
SHO37 Capital Receipts Reserve Adjustment	<b>Q</b>	(20,800)	0	0.0%
SHO38 Major Repairs Allowance	<b>R</b>	2,800,000	76,000	2.7%
SHO45 Renewable Energy Transactions	<b>S</b>	(130,000)	0	0.0%
		<b>(2,242,740)</b>	<b>(167,000)</b>	<b>-7.4%</b>
Net recharge to HRA		1,265,490		
Capital Charges		977,250		
<b>Net Housing Revenue Account Budget</b>		<b>0</b>		

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

Housing Maintenance Fund	£k
Opening balance	(8,886)
Reserve utilised for capital works (see appendix G)	306
Budgeted transfer to reserves	(1,704)
Forecast variance for the year (see above)	(167)
<b>Forecast closing balance</b>	<b>(10,451)</b>

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

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

Note	Description of Major Movements	Corrective Action	Forecast Variance £
<b>A</b>	Dwelling rent is 0.3% ahead of target	N/A	(38,000)
<b>B</b>	Garage income is ahead of target	N/A	(11,000)
<b>C</b>	The Learning Disability Support contract has ceased to operate	N/A	32,000
<b>F</b>	Community Alarm sales continue to be high	N/A	(11,000)
<b>I</b>	Several smaller savings across the Repairs team combine to give this forecast variance	N/A	(48,000)
<b>J</b>	Savings due to restructuring of staffing across several teams as well as several smaller savings across operational budgets	N/A	(107,000)
<b>K</b>	The Learning Disability Support contract has ceased to operate and there is less need than anticipated for new equipment purchase.	N/A	(61,000)
<b>M</b>	Minor variance	N/A	1,000
<b>R</b>	£2,876,000 is expected to be spent on major works this year (see appendix G)	None	76,000
		<b>TOTAL</b>	<b>(167,000)</b>

MID DEVON DISTRICT COUNCIL  
MONITORING OF 2016/17 CAPITAL PROGRAMME

Appendix G

Code	Scheme	Deliverable Capital Programme 2016/17	Actual Expenditure 2016/17	Committed Expenditure 2016/17	Total	Variance to Adj Capital Programme	Forecast (Underspend)/ Overspend	Forecast Slippage to 17/18	Notes
		£	£	£	£	£	£	£	
<b>General Fund Projects</b>									
<u>Lords Meadow leisure centre</u>									
CA624	Main car park resurfacing	50,000	0	0	0	(50,000)			Forecast completion Q4. Discussion required with DCC
<u>Exe Valley leisure centre</u>									
CA627	EVLC - Pressure set replacement Hot/Cold	35,000	0	0	0	(35,000)			Forecast completion Q4 16/17
CA626	EVLC - Fitness extension - subject to business case *	22,000	5,415	21,644	27,059	5,059	30,000		Planning approved. Planned commencement April 2017 with anticipated completion Nov '17
	* Note £500k in 15/16 will be slipped to 16/17								
<u>Phoenix House</u>									
CA451	Phoenix House - Ground Floor changes - subject to business case	163,000	0	0	0	(163,000)	(163,000)		Costs in relation to this project have more appropriately been charged to revenue, however these will be fully reimbursed in payment from DWP
<u>Pannier Market</u>									
CA505	Pannier Market - Pedestrian roof cover - subject to business case **	0	0	0	0	0			Project no longer required - to be reviewed at Mgmt Team
	** Note £110k in 15/16 will be slipped to 16/17								
CA507	Tiverton Pannier Market Pigpens	73,000	3,143	0	3,143	(69,857)		30,000	Forecast completion Q1 17/18
CA508	Pannier Market Clock Tower	34,000	1,479	32,000	33,479	(521)		10,000	Forecast completion Q1 17/18. Additional costs for Scaffolding & Crane needed to be re erected as original supplier went into administration circa £4.5k. Additional cost will be funded from an EMR.
<u>MSCP Improvements</u>									
CA709	MSCP improvements (refer to Matrix condition report)	50,000	(7,098)	7,098	0	(50,000)		50,000	Capital works on hold pending Premier Inn project. Anticipated spend Q3 17/18
<u>Play Areas</u>									
CA608	Play area refurbishment - Wilcombe Tiverton	50,000	0	59,995	59,995	9,995			Forecast completion Q3 16/17
CA628	Play area refurbishment - West Exe Recreation Ground Tiverton	50,000	0	2,300	2,300	(47,700)		48,000	Forecast completion Q2 17/18
<u>Other Projects</u>									
CA403	Town Hall Redevelopment Project	20,000	5,939	10,503	16,442	(3,558)			CSAG selected preferred option £5,114k in 17/18 Capital Programme. Further Architects design works to be commissioned
CA420	Land drainage flood defence schemes - Ashleigh Park Bampton	67,000	0	0	0	(67,000)		67,000	Forecast completion Q2 17/18
CA448	Angel Hill improvements	15,000	4,749	0	4,749	(10,251)			
CA449	Town centre/Market area fibre optic hub and camera system	30,000	25,000	7,603	32,603	2,603			
CA452	Station Yard re construct shower block welfare	35,000	0	0	0	(35,000)			Heads of terms being negotiated between interested parties. Unsure at this stage whether any additional costs to facilitate leasing the land
CA453	Land drainage flood defence scheme - Newton St Cyres	50,000	0	0	0	(50,000)	(50,000)		Project to be delivered by DCC
CA454	Phoenix Lane - Conversion to homeless shelter	60,000	1,626	0	1,626	(58,374)		40,000	Forecast completion Q2 17/18. Currently examining future options for these premises
CA455	St Lawrence Green Project	30,000	0	0	0	(30,000)			Forecast completion Q4 16/17
CA826	Waste move - Porta Cabins at Carlu Close	114,000	113,910	0	113,910	(90)			Project complete
<u>ICT Projects</u>									
CA421	Replacement of PC estate 330s	40,000	0	0	0	(40,000)			Forecast completion Q4 16/17
CA423	Continued replacement of WAN/LAN	60,000	0	0	0	(60,000)			Forecast completion Q4 16/17
CA425	Server farm expansion/upgrades	108,000	12,028	0	12,028	(95,972)		32,000	£76k forecast spend by Q4 16/17. £32k to slip into 17/18
CA433	Unified Communications/telephony	25,000	0	0	0	(25,000)	(25,000)		Budget not required. Sufficient funding in EMR reserve (£107k) to fund project in 17/18
CA437	Digital Transformation	104,000	22,900	2,375	25,275	(78,725)		79,000	£79k forecast slippage , Projects to be identified during Jan'17
CA439	Mobile Working NDL MX	39,000	32,000	7,000	39,000	0			
CA442	Arc Server Spatial (open Source Mapping)	18,000	0	0	0	(18,000)	(18,000)		Budget not required. This work was completed in 15/16
CA446	E-Financials Technical refresh	30,000	18,985	11,000	29,985	(15)			Forecast completion Q4 16/17
CA456	Digital Transformation - replacement of CRM	50,000	0	0	0	(50,000)		50,000	CRM planned replacement in 17/18 with additional £50k requested in MTFP to give a total project budget of £100k
CA457	Digital Transformation including Cosmic for Mid Devon	20,000	0	0	0	(20,000)	(20,000)		Budget no longer required
CA444	SQL/Oracles refreshes	50,000	13,289	8,413	21,702	(28,298)	(21,000)		Forecast completion Q4 16/17. Forecast spend circa £28k. Circa £20k of this underspend will be for expenditure that is under Capital diminiimis and therefore coded to revenue - ICT £12.8k and £6.9k to Accountancy.
<u>Replacement Vehicles - Grounds Maintenance</u>									
CA712	Iveco Tipper (or equivalent)	24,000	0	0	0	(24,000)		24,000	Forecast purchase Q1 17/18
<u>Replacement Vehicles - Refuse Collection</u>									
CA814	Dennis Eagle Terberg RCV 22-26t (or equivalent)	160,000	0	0	0	(160,000)		160,000	Forecast purchase Q1 17/18
CA821	5 Refuse Vehicles with Food waste capability ***	900,000	0	0	0	(900,000)	(105,000)	795,000	Forecast purchase Q1 17/18. Savings due to changes in waste scheme meaning not all vehicles are required to have the same carrying capacity.
	*** Note £740k in 15/16 will be slipped to 16/17								
CA822	7.5T Tipper	100,000	0	0	0	(100,000)		100,000	Forecast purchase Q1 17/18
<u>Replacement Vehicles - Street Cleansing</u>									
CA825	3.5T Tipper	25,000	0	0	0	(25,000)		25,000	Forecast purchase Q1 17/18
CA827	3.5T Tipper	25,000	0	0	0	(25,000)		25,000	Forecast purchase Q1 17/18
		<b>2,726,000</b>	<b>253,365</b>	<b>169,930</b>	<b>423,295</b>	<b>(2,302,705)</b>	<b>(372,000)</b>	<b>1,535,000</b>	

Code	Scheme	Deliverable Capital Programme 2016/17	Actual Expenditure 2016/17	Committed Expenditure 2016/17	Total	Variance to Adj Capital Programme	Forecast (Underspend)/ Overspend	Forecast Slippage to 17/18	Notes
<b>Private Sector Housing Grants</b>									
CG215	Works in Default Grants		9,513	8,130	17,643	17,643			
CG216	Private Sector Housing initiatives to be prioritised	104,000	0	0	0	(104,000)		86,000	
CG201	Disabled Facilities Grants-Private Sector	468,000	198,663	44,649	243,312	(224,688)		118,000	Forecast spend by 31/03/17 £350k. The pass ported DFG grant of £505k from DCC will fund this spend
Please note where possible commitments are raised on the Finance Ledger. Currently the total commitment for Private Sector Housing Grants held outside the ledger is £53k. This underspend includes underspent budget on Private Tenant DFG's amounting to *£225k; these are effectively ring fenced, therefore leaving £86k uncommitted. (£311k - £225k) Commitments include all approved grants. The timing of when these are drawn down is dependent on the client (up to 1 year), therefore at year end although sums may be committed, some may be carried forward to 2017/18 as slippage.									
		<b>572,000</b>	<b>208,177</b>	<b>52,779</b>	<b>260,956</b>	<b>(311,044)</b>	<b>0</b>	<b>204,000</b>	
<b>Affordable Housing Projects</b>									
CA200	Grants to Housing Associations to provide units (funded by commuted sum)	100,000	15,011	0	15,011	(84,989)		80,000	Commitment likely to crystallise in 17/18
		<b>100,000</b>	<b>15,011</b>	<b>-</b>	<b>15,011</b>	<b>(84,989)</b>	<b>0</b>	<b>80,000</b>	
<b>Total General Fund Projects</b>		<b>3,398,000</b>	<b>476,552</b>	<b>222,709</b>	<b>699,262</b>	<b>-2,698,738</b>	<b>(372,000)</b>	<b>1,819,000</b>	

Code	Scheme	Deliverable Capital Programme 2016/17	Actual Expenditure 2016/17	Committed Expenditure 2016/17	Total	Variance to Adj Capital Programme	Forecast (Underspend)/ Overspend	Forecast Slippage to 17/18	Notes
<b>HRA Projects</b>									
CA100	Major repairs to Housing Stock	2,991,000	1,345,524	1,133,381	2,478,905	(512,095)	(185,000)		£185k forecast underspend is in relation to the following: £75k Boiler works, £60k contract works & £50k structural works; this will remain in the HMF for future reprioritisation.
CA111	Renewable Energy Fund Spend	200,000	70,000	0	70,000	(130,000)	(130,000)		£130k will be reprioritised for spending in 17/18
CA112	Birchen Lane - re development of unit for housing conversion (4 units)	367,550	164,457	203,097	367,554	4		100,000	Forecast completion Q1 17/18
CA119	Palmerston Park Tiverton - affordable dwellings (26 units)	3,160,700	973,865	2,687,349	3,661,214	500,514		1,800,000	Full contract commitment on system, circa £1.8m works will roll forward to 17/18 from 'Deliverable Budget'. Forecast completion Q2 17/18
CA122	Iveco Tipper 3.5t (or equivalent)	24,000	0	0	0	(24,000)			
CA124	Queensway (Beech Road) Tiverton (3 units)	10,000	0	0	0	(10,000)			Some feasibility work will be undertaken in 16/17. Forecast completion Q4 17/18
CG200	Disabled Facilities Grants - Council Houses	297,000	228,288	0	228,288	(68,712)			
CA120	Burlescombe (6 units) **** **** Note £700k in 15/16 will be slipped to 16/17	80,000	90	2,825	2,915	(77,085)		70,000	Some feasibility work will be undertaken in 16/17. Forecast completion Q4 17/18
CA125	Waddeton Park - (70 units)	10,000	4,640	0	4,640	(5,360)			Costs associated around land purchase are likely to occur in 17/18. Spoken with responsible officer & 'Deliverable Programme' adjusted accordingly. Site subject to Judicial review
CA126	Sewerage Treatment Works - Washfield	25,000	0	0	0	(25,000)			Forecast completion Q4 16/17
CA127	* Stoodleigh - Pending feasibility (4 units)	20,000	0	0	0	(20,000)		10,000	Some feasibility work will be undertaken in 16/17. Forecast completion Q4 17/18
<b>Total HRA Projects</b>		<b>7,185,250</b>	<b>2,786,864</b>	<b>4,026,652</b>	<b>6,813,516</b>	<b>(371,734)</b>	<b>(315,000)</b>	<b>1,980,000</b>	

<b>CAPITAL PROGRAMME GRAND TOTAL SPEND</b>		<b>10,583,250</b>	<b>3,263,416</b>	<b>4,249,361</b>	<b>7,512,777</b>	<b>(3,070,473)</b>	<b>(687,000)</b>	<b>3,799,000</b>	
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## HOMES PDG 17 January 2017

### Final 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 final 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 and at a time when they're growing.
- 2.6 Community alarms are set to be frozen at £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 £1,070k of their costs to other areas as well as £479k 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 final 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 slightly 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 for Mid Devon 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. The final version of this budget will be agreed by Full Council in February 2017.

**Contact for more information:**

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**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
<b>Income</b>					
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)	(2,750)	(36,470)
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)
<b>Services</b>					
SHO13A	Repairs & Maintenance	2,892,640	3,214,780	(116,400)	3,098,380
SHO17A	Housing & Tenancy Services	1,243,870	1,354,750	(39,460)	1,315,290
SHO22	Alarms & L.D. Wardens	127,540	152,200	(30,500)	121,700
<b>Accounting entries 'below the line'</b>					
SHO29	Bad Debt Provision	(3,034)	25,000	0	25,000
SHO30	Share Of Corp And Dem	222,429	177,400	(12,080)	165,320
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	529,050	2,922,060
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)
<b>NET DIRECT TOTAL</b>		<b>(2,216,729)</b>	<b>(2,242,740)</b>	<b>(11,000)</b>	<b>(2,253,740)</b>

### Subjective analysis

Code	Service unit	Previous Year Outturn	Current Year Budget	Movement	Proposed Budget 2017/18
1000	Employees	2,434,055	2,350,280	(99,700)	2,250,580
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	(200,930)	8,855,550
7000	Income	(15,628,038)	(14,164,130)	231,270	(13,932,860)
<b>NET DIRECT TOTAL</b>		<b>(2,216,729)</b>	<b>(2,242,740)</b>	<b>(11,000)</b>	<b>(2,253,740)</b>
5000	RECHARGES		1,265,490	11,000	1,276,490
6000	CAPITAL CHARGES		977,250	0	977,250
<b>TOTAL</b>			<b>0</b>	<b>0</b>	<b>0</b>

**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
	<b>977,250</b>

**Assumptions**

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

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

£2,151k contribution to the Housing Maintenance Fund to be made

Recharges to grow by £11k

<b>SHO34 H.R.A. Trf To/From Emr</b>	£
Surplus amount	2,150,814
Renewable energy surplus	130,000
Affordable Rent surplus	72,330
Loan premium deficit	568,916 (see below)
Total	<u><u>2,922,060</u></u>

<b>PWLB loan</b>	£
Principal actually repaid	1,485,228
Principal accounted for	916,313
Loan premium deficit	<u><u>568,916</u></u>

## 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
<b>Dwelling Rents Income Budget</b>						<b>12,368,590</b>
Affordable rent surplus						72,330
<b>TOTAL</b>		<b>3,060</b>	<b>30</b>	<b>20</b>	<b>3,021</b>	
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
<u>Garage rents per week</u> (48 week basis) <i>It should be noted that council tenants receive a discount of £2.00 per week on any garage rent.</i>				
Garage rents per week	£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: <b>£79.10</b>		2016/17: <b>£79.90</b>	

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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
		<b>TOTAL</b>	<b>1,165,450</b>

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## Cabinet & Policy Development Groups 5 January 2017

### Budget 2017/18 - Update

<b>Portfolio Holder</b>	Cllr Peter Hare-Scott
<b>Responsible Officer</b>	Director of Finance, Assets and Resources
<b>Reason for Report:</b>	To consider options available in order for the Council to move towards a balanced budget for 2017/18.
<b>RECOMMENDATION:</b>	To consider and agree the updated budget proposals for 2017/18 included in Appendix 1.
<b>Relationship to Corporate Plan:</b>	To deliver our Corporate Plan's priorities within existing financial resources.
<b>Financial Implications:</b>	Now the Council has received notification of its Formula Grant Settlement it is imperative that it matches current and ongoing expenditure plans to estimated sources of income/funding.
<b>Legal Implications:</b>	It is a statutory requirement for the Local Authority to set a balanced budget.
<b>Risk Assessment:</b>	Service managers and Finance staff have assessed volatility in income and large contractor budgets, taking account of current and estimated future demand patterns. This position has been revised based on an additional two months of financial monitoring information. In addition prudent levels of reserves will also continue to be maintained.

#### 1.0 Introduction

- 1.1 On the 15 December 2016 the Council received formal confirmation of its Formula Grant Settlement. Our provisional formula grant award for 2017/18 amounts to **£2.6m**. This is unlikely to change significantly and is exactly what we first estimated based upon the indicative four year settlement provided last December by Central Government.
- 1.2 As a direct consequence this increased the draft 2017/18 General Fund budget deficit. However it is both prudent and a legal obligation that we set a balanced budget and therefore further savings will be required.

#### 2.0 2017/18 General Fund Budget - Revised Position

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

- 2.2 Further review identified a further **£510k** of cost pressures since November, but the Finance team and service managers have worked very hard to identify a further **£697k** of savings, together with further potential savings for members to consider.
- 2.3 This process has improved the General Fund budget by a net **187k** (see **Appendix 1**) and now only leaves a budget gap of **£231k**. This reflects a lot of hard work and constructive negotiation over the past 2 months. The changes made to the budget are summarised at **Appendix 6**. **Appendices 2, 3 and 4** show the current position for the general fund and the transfers to and from earmarked reserves.
- 2.4 Given the deficit of £231k further budgetary savings are required to balance the budget and further potential savings are outlined at **Appendix 7**.
- 2.5 There are some further considerations, both cost pressures and potential savings which as yet have not been quantified and these are identified at **Appendix 8**.

### **3.0 Conclusion**

- 3.1 The Council still has approximately one month until the Cabinet will meet on the 2 February 2017 to formally recommend the overall budget and level of Council Tax for 2017/18 and officers will continue to work towards delivering a balanced budget position.
- 3.2 To date we have used the New Homes Bonus grant to fund economic development projects, help fund our capital programme and to fund certain “one off” revenue projects. Some other local authorities are already using the New Homes Bonus grant to various degrees to help fund their day to day spending (revenue expenditure).
- 3.3 Unfortunately in the draft local government settlement the government announced that in future the New Homes Bonus will no longer continue to be awarded for six years, it will gradually taper to five and then four years.

In addition the government have introduced a baseline whereby Councils must build a de minimis number of properties before they become eligible to receive New Homes Bonus, referring to this as a “baseline” set at 0.4% of the property base. The money saved will be used to help fund social care in the higher tier authorities. In our 2017/18 settlement it appears our baseline has been set at 148 properties. As a result our provisional New Homes Bonus award for 2017/18 is **£1.72m**, £110k lower than that received in 2016/17.

- 3.4 We could fund some of the budget deficit from this grant. However if the reserve is utilised in this manner there will be less monies available to fund future capital and economic projects and we will ultimately need to potentially manage with circa £1m less New Homes Bonus funding from 2018/19 onwards.
- 3.5 It is also worth mentioning that as a district we are comparatively poor in terms of assets with much of the capital programme funded from “Right to Buy” receipts and the New Homes Bonus grant. We do not have a large portfolio of

surplus assets which we could sell and use for new capital projects, some of which could reduce our annual running costs.

- 3.6 Members have now approved a draft Corporate plan with key defined focus areas, the question is how those aspirations can be met with a *sustainable* budget base, ideally with as much as possible under our own control. Going forward difficult and challenging decisions on the scope and extent of service delivery will be required to meet this objective.

**Contact for more information:** Andrew Jarrett – Director of Finance, Assets and Resources  
**Background Papers:** Draft 2017/18 Budget Papers  
Grant Settlement Email  
**File Reference:**  
**Circulation of the Report:** Management Team, Members & Relevant Service Managers

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

	Notes	Net Direct Costs Budget 2016/17 £	Nov Draft Net Direct Costs Budget 2017/18 £	Budget Changes from Nov £	New Draft Net Direct Costs Budget 2017/18 £
Cabinet	2,4	3,974,760	4,252,890	88,350	4,341,240
Community	2,4,7	2,593,410	2,600,830	30,510	2,631,340
Economy	2,4,8	(922,960)	(736,120)	35,290	(700,830)
Environment	2,4	2,413,390	2,228,050	(26,090)	2,201,960
Housing	2,4	1,116,120	1,209,770	(74,600)	1,135,170
<b>TOTAL NET DIRECT COST OF SERVICES</b>		<b>9,174,720</b>	<b>9,555,420</b>	<b>53,460</b>	<b>9,608,880</b>
Net recharge to HRA	6	(1,265,490)	(1,276,490)	32,550	(1,243,940)
<b>NET COST OF SERVICES</b>		<b>7,909,230</b>	<b>8,278,930</b>	<b>86,010</b>	<b>8,364,940</b>
PWLB Bank loan interest payable		112,030	106,920	0	106,920
Finance Lease interest payable		34,000	36,760	0	36,760
Provision for the financing of capital spending		400,720	398,370	0	398,370
Interest from Funding provided for HRA		(54,000)	(54,000)	0	(54,000)
Interest Received on Investments	5	(171,000)	(209,000)	(45,000)	(254,000)
Revenue contribution to capital programme		0	0	0	0
New Homes Bonus		(1,831,460)	(1,831,460)	109,480	(1,721,980)
Transfers into earmarked reserves	3	2,745,770	2,523,430	(105,480)	2,417,950
Transfers from earmarked reserves	3	(575,780)	(582,590)	(50,000)	(632,590)
<b>TOTAL BUDGETED EXPENDITURE</b>		<b>8,569,510</b>	<b>8,667,360</b>	<b>(4,990)</b>	<b>8,662,370</b>
<b>Funded by:-</b>					
Revenue Support Grant		(1,017,260)	(497,550)	0	(497,550)
Rural Services Delivery Grant		(463,810)	(374,510)	0	(374,510)
Transition Grant		(31,630)	(31,510)	0	(31,510)
NNDR revenue		(2,055,890)	(2,065,210)	(150,000)	(2,215,210)
NNDR appeals		100,000	50,000	0	50,000
CTS Funding Parishes		55,250	46,960	0	46,960
Collection Fund Surplus		(8,230)	(52,860)	0	(52,860)
Council Tax - (27,876.12 x £192.15)	1	(5,147,940)	(5,323,910)	(32,480)	(5,356,390)
<b>TOTAL FUNDING</b>		<b>(8,569,510)</b>	<b>(8,248,590)</b>	<b>(182,480)</b>	<b>(8,431,070)</b>
<b>REQUIREMENT TO BALANCE THE BUDGET</b>		<b>0</b>	<b>418,770</b>	<b>(187,470)</b>	<b>231,300</b>

**Current Assumptions :**

1. Council Tax has been increased by £5 as an illustration with an increased property growth of 169.
2. 2017/18 salary budgets include an increase of 1%.
3. All earmarked reserves have been reviewed and adjustment made based upon existing need.
4. All income flows have been reviewed and adjusted for changes in demand and unit price.
5. Investment income has been based upon the existing lending criteria now in force.
6. Support services have been inflated in accordance with the pay award.
7. No reductions to grant budgets have been made.
8. Car parking fees are based upon 2016/17 fees and vends.

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2017/18 BUDGETS

Appendix 3

Transfers into Earmarked Reserves

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			
ES660			4000				
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						1,721,980.00	
<b>TOTAL</b>	<b>52,700.00</b>	<b>14,360.00</b>	<b>51,450.00</b>	<b>507,460.00</b>	<b>20,000.00</b>	<b>1,721,980.00</b>	<b>50,000.00</b>

2,417,950.00

2,745,770.00

2016/17

80,000.00 14,360.00 46,640.00 550,900.00 20,000.00 1,831,460.00 202,410.00

Movement

(27,300) - 4,810 (43,440) - (109,480) (152,410) (327,820)

**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)	
PR800	(30,000)	
RB600		(20,000)
ES361		(19,700)
EQ638		(4,170)
EQ640		(1,950)
EQ641		(1,630)
EQ642		(4,620)
EQ643		(6,650)
EQ644		(3,080)
<b>TOTAL</b>	<b>(570,790)</b>	<b>(61,800)</b>

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

**Movement** **(245,010)** **188,200** **(56,810)**

£k

**Estates Management**

**Exe Valley Leisure Centre**

Exe Valley Leisure Centre - Replenish sand filters 25

**Culm Valley sports centre**

CVSC replace end of life AC for fitness Gym 30

**Total 55**

**Other MDDC Buildings**

**Pannier Market**

Pannier Market - Improvement Project back log maintenance 60

**MDDC Shops/industrial Units**

Energy Assessment works - new legislation - Indust Units/Shops/Mkt Walk 50

**Play Areas**

Play area refurbishment District wide - Amory Park Tiverton 50

**Other Projects**

Crediton Office - Structural improvement work 30

**General Fund Development Schemes**

Rear of Town Hall development site (6 Houses, 24 Apartments) 5,114

**Total 5,304**

**Economic Development Schemes**

Tiverton Pannier Market awnings & canopy (Note 1 ) 0

Harlequin Valley Project (Note 1) 0

Tiverton Town Centre improvements (Note 1) 0

**Total 0**

**ICT Projects**

Replacement PC estate

Unified Comms/telephony 107

Digital Transformation replacement of CRM 50

Secure Wifi replacement 50

Parking System Replacement 40

Replacement Queue System 30

Core System Refreshes - Revs/Bens 20

Replacement Estates/Property Systems 50

**Total 347**

**Affordable Housing Projects**

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

Affordable Housing initiative

**Total 115**

**Private Sector Housing Grants**

Empty homes and enforcement 104

Disabled Facilities Grants–P/Sector 490

**Total 594**

### Street Cleansing

Medium Sweeper (Street Cleansing) 70

### Grounds Maintenance

Van Tipper 26

Ransomes Mower 35

**Total 131**

### Miscellaneous

A361 junction to facilitate Eastern Urban Extension (funded by s106) **1,750**

**TOTAL GF PROJECTS 8,296**

### HRA Projects

#### Existing Housing Stock

Major repairs to Housing Stock 2,278

Renewable Energy Fund 100

Disabled Facilities Grants - Council Houses 299

#### Housing Development Schemes

Land Banking for Affordable Housing 0

#### HRA ICT Projects

Repairs - mobile replacement (HRA) 30

Tenancy Mobile (HRA) 40

**Total 2,747**

#### HRA Replacement Vehicles

Van Tipper 4.5T (Responsive Repairs) 32

**Total 32**

**TOTAL HRA PROJECTS 2,779**

**GRAND TOTAL GF + HRA 11,075**

### MDDC Funding Summary

	2017-18
	£k
<b>EXISTING FUNDS</b>	
Capital Grants Unapplied Reserve	605
Capital Receipts Reserve	1,091
Earmarked Reserves	2,487
Miscellaneous Funding	3,878
<b>Subtotal</b>	<b>8,061</b>
<b>NEW FUNDS</b>	
Borrowing	3,014
Revenue Contributions	0
<b>Subtotal</b>	<b>3,014</b>
<b>TOTAL FUNDING</b>	<b>11,075</b>

### Notes

1. These projects are subject to satisfactory business cases being produced.



**2017/18 Budget Movements from Budget 5 to Budget 6**

**Appendix 6**

Ref	Code	Code Description	Description of change	Cost Pressures	Savings	2017/18 Draft Budget
			<b>ORIGINAL NOVEMBER PDG BUDGET - Budget 5</b>			<b>418,770.0</b>
1			Business rates - Solar and Pool Benefit		(150,000)	
2	TREMIR		Decrease in New Homes Bonus		(109,480)	
3	W5725 various	Recycling	Increase in price and tonnages		(81,290)	
4	IE2907440	Treasury	Another £1m with CCLA		(45,000)	
5	PS860	Station Yard	Rental income and removal of operational budget		(34,560)	
6			Council tax Base Increase (27,876.12-27,707.03) x £192.15		(32,480)	
7	TREMIR	Planning	Exeter Strategic post funded from New Homes Bonus		(30,000)	
8	FP100	Accountancy	A post reducing hrs & revised membership costs		(21,280)	
9	TREMIR (IE930-	Revenues Recovery Team	Re RB600 Post to be made permanent - £20k taken from EMR		(20,000)	
10	HG320	Homelessness	Discretionary rent allowances		(20,000)	
11	PS990	Property Services	Rent from Coggans Well House (PwLB loan instalments shown below)		(20,000)	
12	GM960	Grounds Maintenance	Reduction in the Tree Works budget as looking to do more in-house		(17,000)	
13			Extra S106 admin fee		(15,000)	
14	RB100-7442	Council Tax recovery	Single Occupancy Discount Penalties £14k (200 * £70)		(14,000)	
15	RB350-7415	HB DWP UCDP	Funding from DWP for MDDC assistance in supporting Universal Credit		(13,000)	
16			Remove an apprentice budget		(12,050)	
17	RB100-7406	Council Tax recovery	Change to charging for court costs £12k - no longer remit £20 if paid between summons & court date (200 * £60)		(12,000)	
18	PS830	Town Hall	Reduction in costs if Town Council take over		(8,780)	
19	IT300	Central Telephones	Review potential telephony savings		(8,500)	
20	IT400	ICT	Cheaper internet provider 17-18		(8,000)	
21	PS970	Town Hall	Post no longer required as transfer of building to Town Council		(6,260)	
22			Additional cont. from Cull TC & DCC for Cull grass cutting - £5k		(5,000)	
23	PS8102301	Phoenix House	Reduced electricity budget to take account for the spend to save exercise on LED lighting which increased £121 in 17/18 by 20k pay back period 5 years.		(5,000)	
24			Savings from skip budget (£6.5 - £1.7 TW & £2k adhoc skips)		(2,800)	
25	CM600	Grounds Maint	Legacy payment made to widow has ceased		(2,600)	
26	PR400	Backfunding	Community engagement budget not required		(2,500)	
27	ES733	E/Health	Decrease in pension job sharing		(730)	
			<b>Total Savings</b>		<b>(697,310)</b>	<b>(697,310)</b>
28	IE		Decrease in New Homes Bonus	109,480		
29	W5700	Refuse	Adjust Garden Waste Income budget in line with take up	50,000		
30			Review of 17/18 forecast	50,000		
31	CM600	Backfunding	Pension backfunding increase	44,100		
32	HR200	Training Budgets	Increase to training budget	35,000		
33	CD300	Markets	Reviewed Market budget. Mainly income. Any plans to increase? Pig Pens + Events	34,000		
34			Adjustment to net HRA recharges	32,550		

**2017/18 Budget Movements from Budget 5 to Budget 6**

**Appendix 6**

Ref	Code	Code Description	Description of change	Cost Pressures	Savings	2017/18 Draft Budget
35	PR8104507	Statutory Planning	Strategic Partnership Exeter Post (Fixed term 18m) - now only E30k			
36	WS710	TW	Increase disposal cost budget	30,000		
37	CM300	Corporate	Superannuation - Current year (14.4% to 14.8%)	27,000		
38	PS992	Market Walk	Rent review assuming 2 vacant unit	24,620		
39	LD600	Legal	Restructure with new Legal services Manager and Monitoring Officer	12,870		
40			PWLB Loan repayment - Coggans Well (Rent shown above)	12,050		
41		ICT	Mobile phone contract - purchase of mobiles across general fund services only	10,920		
42	CM100	Leadership team	Apprentice - was this included in Planning budget	10,000		
43	HR100	Human Resources	Increase in HR/Payroll Licence fee	7,810		
44	PR600		Income budget for introduction of CIL reduced	6,200		
45	ES660	Control of Pollution	Set up sinking fund for replacement noise equipment.	5,000		
46	ES450	Play Areas	Reduction in Play Area income contributions from Towns & Parishes	4,000		
47		Economic Development	what about other 3 grants that are reviewed? GWC, Mus & TIC	3,000		
48	PR1004698	Bldg. Control	Lone Working Support - Taunton Deane Call Centre	1,000		
			<b>Total Cost Pressures</b>	<b>509,840</b>		<b>509,840</b>
			<b>REVISED 2017/18 GENERAL FUND BUDGET DEFICIT</b>			<b>231,300.0</b>

**Capital Programme 17/18 Changes since MTFP (Cabinet 27/10/16)**

Total Capital Programme Budgeted Spend 17/18 per MTFP report 27/10/16 Cabinet

11,812,000

**Changes**

A361 Junction to facilitate EUE development (funded from future s106 receipts as development occurs)

1,750,000

Removal of 3 Economic Development Projects - Reports/Business Cases to be considered by Cabinet during 17/18 to consider commercially viable:

- Tiverton Pannier Market Awnings/Canopy
- Harlequin Valley Project
- Tiverton Town Centre Improvements

(150,000)  
(200,000)  
(40,000)

Removal of Land banking for Affordable Housing - to be considered when site becomes available

(2,100,000)

Major Repairs to Housing Stock - Budget adjusted from £2,275k to £2,278k

3,000

**Revised Capital Programme Budgeted Spend 17/18**

**11,075,000**

Ref Code	Code description	Description of change	Increase/Decrease
1		Car park charging options - Pay and Display options, new machines, free parking and amenity car parks	-50,000
2	Various	Potential business rate increases - but what about Transitional Relief?	-15,000
3	CD200/PR400	Review of grants - reduce in line with government funding reductions 15% - don't forget grants moved to Econ/leisure heading	-16,000
4	IT400	Cease contract with external Disaster Recovery.	-9,600
5		Changes to CTR scheme - major preceptors contribution to recovery	-12,000
6	ES100	Review of cemetery fees	-11,800
7	Moorhayes Community Centre	Budget for Solar Income	-5,000
8	Car Parks	Income from Electric charging points	-5,000
9	Open Spaces	Review of facilities	-4,000
10		Air quality equip in Crediton	-3,500
		<b>TOTAL</b>	<b>-131,900</b>

2017/18 Undefined Savings/Cost Pressures/Items for Consideration

Ref	Code	Code description	Description of change
1			With loss of NHB to underpin capital
2			Handyman/small works team?
3	WS770	Carlu Close	Annual rent from DCC for Waste Transfer Station
4	CP520	MSCP	Consideration of potential lost revenue due to Premier Inn works ?
5			Govt Housing White Paper - DC to increase charges to break even?
6			Business Transformation savings?
7			Profit re-invested from SPV - not until 17/18
8			Revised Housing Benefit admin subsidy received 21/12/16
9	WS725	Recycling	Review shredding grant

**HOMES PDG**  
**17 JANUARY 2017**

## **DECANTING POLICY**

**Cabinet Member** Cllr Ray Stanley  
**Responsible Officer** Claire Fry, Housing Services Manager

**Reason for Report:** To review the Decanting Policy.

**RECOMMENDATION(S):** Cabinet approves the revised Decanting Policy.

**Relationship to Corporate Plan:** The Council must run the Housing Service efficiently and effectively in accordance with legislative requirements and the provisions of the regulatory framework.

**Financial Implications:** Any Home Loss Payment, disturbance payment or other compensation payments will be met from existing budgets within the Housing Revenue Account.

**Legal Implications:** In accordance with the statutory guidance for Home Loss Payments as set out in the Land compensation Act 1973, the Council must offer this payment where a permanent decant is required.

**Risk Assessment:** Failure to provide housing management staff with the appropriate policies could result in a less consistent and effective service.

### **1.0 Introduction**

- 1.1 The review of this policy reflects changes in good practice. It provides a framework for staff which sets out the Council's approach to decant tenants from their current property due to an emergency such as fire or flood, major repairs, refurbishment or where development works are needed to their home.
- 1.2 The Decanting Policy was approved at the meeting of the Decent and Affordable Homes Policy Development Group on 18 March 2014. The policy is due to be reviewed by March 2018.
- 1.4 Tenants Together approved the draft Decanting Policy at their meeting on 8 December 2016.
- 1.5 Cabinet is asked to consider the proposed changes and to agree the adoption of the reviewed policy.

### **2.0 Proposed policy changes**

- 2.1 The policy has been reviewed earlier than the expected due date to take into account the changes made to operational procedures. Minor amendments to the existing policy have been made.

- 2.2 The policy introduces a section on definitions. This provides a legal definition of the term decant and explains in more detail the different types of decants that may take place, for example permanent, temporary or emergency.
- 2.3 An additional clause has been added to the section relating to “Offer of accommodation”. This states that one direct offer of accommodation will be made by the Council in consultation with the tenant. However, if the tenant refuses to accept an alternative property, they will be given advice on their housing options. This may result in legal action taken to recover possession of the property.
- 2.4 The policy has introduced additional clauses relating to Home Loss Payments, stating that when a tenant is eligible for a Home Loss Payment, if they have any debts with the Council, any amounts payable will be offset against the amount granted. Where there are joint tenants, one Home Loss Payment will be shared equally between them.
- 2.5 Under Section 105 of the Housing Act 1985, the Council has a duty to consult tenants on matters of housing management. The policy has been updated to state that we will consult with tenants on housing management matters when it relates to the management, maintenance, improvement or demolition of dwelling houses let by the Council under secure tenancies.
- 2.6 The Council are committed to the principle of openness and transparency and for this reason, the policy now includes a clause relating to this. If for any reason there are any operational matters which impact upon the Council’s ability to operate this policy, they will ensure that information about this is given to tenants and other stakeholders.

**Contact for more Information:** Claire Fry, Housing Services Manager (01884 234920 [cfry@middevon.gov.uk](mailto:cfry@middevon.gov.uk))

**Circulation of the Report:** Councillor Ray Stanley, Management Team

**List of Background Papers:** A copy of such papers to be made available for public inspection and included on Website

**Mid Devon District Council**

**Decanting Policy**

Policy Number: HSG v2.3

**January 2017**

DRAFT

## Version Control Sheet

*Title:* Decanting Policy

*Purpose:* To review the Decanting Policy in accordance with good practice and any changes in legislation.

*Owner:* **Housing Services Manager**  
**cfry@middevon.gov.uk**  
**Telephone number 01884 234920**

*Date:* **January 2017**

*Version Number:* v2.3

*Status:* Review of Policy

*Review Frequency:* **Every 4 years or sooner if required and in accordance with changes in good practice and legislation**

*Next review date:* **January 2021**

*Consultation* **This document was sent out for consultation to the following:**

Cabinet Member  
Staff  
Tenants Together  
Management Team  
Homes PDG

### Document History

This document obtained the following approvals.

<b>Title</b>	<b>Date</b>	<b>Version Approved</b>
Cabinet Member	<b>10.11.16</b>	
Tenants Together	<b>08.12.16</b>	
Management Team		
Homes PDG	<b>17.01.17</b>	
Cabinet		



## 1. Introduction

This policy statement outlines Mid Devon District Council's (MDDC) Housing Service's approach to decanting (moving) tenants from their current property due to an emergency such as fire or flood, major repairs, refurbishment or where redevelopment works are needed to their home.

## 2. Scope

This policy sets out how the Housing Service will implement such moves and what support will be available to tenants. It covers the following points and should be read in conjunction with the related documents as stated below:-

- Decanting tenants
- Keeping tenants informed
- Emergency decant
- Temporary decant
- Permanent decant
- Offer of accommodation
- Security of tenancy
- Vulnerable tenants
- Tenants' responsibilities
- Disturbance allowance
- Home Loss Payments

## 3. Related Documents

- a) Tenancy Agreement
- b) Tenancy Policy
- c) Devon Home Choice Scheme
- d) Allocation Policy
- e) Recharge Policy
- f) Aids & Adaptations Policy
- g) Complaints Policy and Procedure

## 4. Definitions

For the purpose of this policy, the following definitions apply:-

- **Decanting** is a legal definition used to explain the process when a tenant is required to move from their home due to major repairs, refurbishment or modernisation works. Decants may also be necessary when a property needs to be rebuilt or disposed of to enable effective asset management.
- **Permanent decant** is when a tenant is moved out of their property and there is no intention to return them to it.
- **Temporary decant** is when a tenant is moved out of their property, to enable work on their home to be carried out, with the intention of returning them to the property as soon as possible. There may be occasions when a temporary decant becomes a permanent decant, for example if the level of the work

required is so great that the property has to be redeveloped or demolished, or the tenant has been moved on a temporary basis and it is later agreed by all parties that the new property is more suitable for them to remain in.

- **Emergency decant** is when a tenant is moved out due to an unexpected event that has caused a property to become uninhabitable. This may be due to fire or flood, for example.

## 5. Decanting tenants

- 5.1 There will be instances when the Council will need to move a tenant due to major repairs, refurbishment or redevelopment works to their home.
- 5.2 A tenant will only be decanted if the Council feels that it is necessary. They may need to move because planned works are so extensive that it would not be practical for them to remain in their home for the duration of the project. However, it may also be because the tenant or a member of their household has ill health, vulnerabilities or special needs and the refurbishment may affect their welfare. In such cases, an offer of alternative accommodation may be appropriate.
- 5.3 Decanting may also be needed if the tenant experiences a fire or flood. This may have been caused by accident, or deliberately.
- 5.4 The Council will respond to situations such as the above in accordance with the provisions of the Devon Home Choice Scheme, which is used to allocate social housing in the District.
- 5.5 Any complaints regarding the decant process will be dealt with in accordance with the Council's Complaints Policy and Procedure.

## 6. Keeping tenants informed

- 6.1 We will ensure that the tenant is kept informed throughout the decant process. The tenant's Neighbourhood Officer will be the first point of contact and will provide a decant plan which sets out the following:-
- Why the decant is necessary, what will happen and when;
  - An estimation of the duration of the decant period; and
  - Any compensation the tenant may be entitled to and/or any other support that the Council can offer.
- 6.2 A project team including officers from the Housing Options, Repairs and the appropriate Neighbourhood teams will co-ordinate such moves and will take into account the tenant's circumstances, their needs, the timescales of the works and the availability of alternative accommodation.

## 7. Emergency decant

- 7.1 An emergency decant occurs when a tenant's property becomes uninhabitable, for example due to fire, flood or storm damage. Tenants are always advised to take out their own home contents insurance. In the event of fire, flood or storm damage, the

tenant would be expected to check their own insurance policy to see if this supports a temporary move to Bed and Breakfast (B&B) accommodation.

**7.2** If the tenant is unable to stay with friends or family or their insurance policy does not support a move to temporary accommodation such as a B&B, they will be offered temporary accommodation. They will also be given appropriate support and advice with the intention of them returning to the property as soon as it becomes habitable again.

**7.3** Once the extent of the damage to the property has been assessed, a decant plan will be produced taking into account the specific circumstances and this will set out all appropriate arrangements.

## **8. Temporary decant**

**8.1** A tenant may only need to move out of their home on a temporary basis, for example, for a week or two, whilst works are being carried out. Where works may last longer, for example several months, this will be taken into account when considering the various options available.

**8.2** If it is estimated that works will only take a few days, then it may be more cost effective to consider the following:

- Making arrangements for the tenant to stay with friends and family;
- Placing the tenant in B&B accommodation;
- Seeking respite care for the tenant; or
- Paying for the tenant to stay in a chalet, caravan or similar type accommodation within Devon, Cornwall or Somerset.

**8.3** The tenant will be obliged to carry on paying rent for their permanent home, therefore they will not have to pay for the cost of their temporary accommodation. If they have transferred to alternative accommodation within MDDC's own housing stock, the above will be confirmed in writing.

**8.4** There may be other occasions when it might be appropriate to offer suitable alternative accommodation to someone who is in need of a temporary decant. This may be because the tenant is vulnerable in some way or because their existing accommodation is no longer suitable for their needs. An example of this would be where someone needs adapted accommodation. In such cases, consideration will be given to making an offer of suitable alternative accommodation on a permanent basis and a Home Loss Payment would not be payable (see point 15 below).

## **9. Permanent decant**

**9.1** In some situations, for example where major redevelopment work is being undertaken, a property may be demolished or significantly altered. Where this is the case, the tenant will be permanently decanted. This would result in a new letting. We will provide suitable alternative accommodation for a permanent move and work with the tenant to meet their requirements and preferences, where possible.

**9.2** There are likely to be some cases where tenants refuse the offer of the work or refuse to move out, for whatever reason. If so, the Council will endeavour to work with the tenant to resolve any issues. However, if an offer of alternative accommodation is refused, the project team will consider all relevant information and will formulate an action plan. In most cases, legal action to recover possession of the property will be considered. Only in exceptional circumstances would a decision be made agreeing that the work should not be carried out.

**9.3** When a tenant moves permanently to a property they will receive a new tenancy and will be responsible for paying rent and charges for that property.

## **10. Offer of accommodation**

**10.1** One direct offer of accommodation only will be made by the Council in consultation with the tenant. If the tenant refuses to accept the alternative property, they will be given advice on their housing options.

**10.2** When offering accommodation, the following will be taken into account:

- size of the accommodation so it matches the housing needs of the tenant;
- distance of the accommodation from the place of work or education; and
- the distance of the accommodation from members of the tenant's family or their support network, if proximity is a consideration to the wellbeing of the tenant or their family.

## **11. Security of tenancy**

**11.1** When a tenant is moved to alternative accommodation they will continue to have the same type of security of tenure as they did in their original home. If the tenant moves to a property belonging to another Registered Provider, the Council, in its role as the Strategic Housing Authority, will take steps to ensure that they will be given the equivalent type of tenancy.

**11.2** Tenants' security of tenure will be dealt with in accordance with current legislation and the Council's Tenancy Policy.

## **12. Vulnerable tenants**

**12.1** To minimise the impact of decanting a vulnerable tenant to alternative accommodation, the project team will undertake an impact assessment for every tenant where such action is found to be necessary. The project team will also agree individual action plans for household members, if there is evidence to suggest that they are necessary.

**12.2** The project team will liaise with family members, recognised advocates and/or professionals such as occupational therapists, to ensure that tenants who have special needs, are offered suitable alternative accommodation that will meet the needs of the tenant or household member.

### **13. Tenants' responsibilities**

- 13.1** Where a tenant is being decanted, they will be expected to pack up their own belongings unless there is a valid reason they cannot, for example, they are vulnerable or have special needs, in which case a packing service will be arranged.
- 13.2** Tenants must ensure that they have taken steps to ensure that their fridges and freezers are cleaned, having been emptied and defrosted, if necessary, prior to the arrival of the removal company.
- 13.3** If the tenant is being transferred to alternative accommodation, they will be responsible for clearing their belongings from the property and for giving vacant possession of that property. Any items left behind will be cleared and there will not be any opportunity to reclaim them, or to claim compensation for the value of them. The cost of clearance and disposal of any such items will be recharged to the tenant.
- 13.4** The tenant is required to provide access for contractors or agents acting on the Council's behalf, as necessary. They must also take responsibility for their own fixtures and fittings or DIY improvements, unless the property is to be demolished, in which case, they must sign a disclaimer stating that they do not require any compensation for the loss of the items. There will be a pre-void visit where such items will be identified and the tenant will be informed about the work that is required before they move out. Failure to undertake such work could result in the tenant being recharged.
- 13.5** The tenant is expected to make other household members aware of the decant arrangements and to move on the agreed date. In addition, they must make appropriate arrangements for any pets/animals and ensure that they are not abandoned in the property after they have moved out.
- 13.6** If the household has home contents or other insurance, the tenant is advised to notify their insurance company/ies about the change of address.
- 13.7** Tenants are expected to take appropriate steps to clear any areas where work is to be undertaken. However, if any possessions are damaged in the course of carrying out repairs, compensation may be paid, although any responsibility for this may be passed onto the contractor or the third party who has completed the work. The project team will endeavour to seek damages from the removal company if the tenant's possessions are damaged during the course of the move. Any claims will be considered by the project team.
- 13.8** On the day of the move, the Neighbourhood Officer will visit to help resolve any minor issues which may arise. They will visit again within one day of the move and then again within six weeks. Where there has been a temporary move, they will visit periodically if necessary whilst the tenant lives in the decant property.

### **14. Disturbance allowance**

- 14.1** A disturbance allowance is intended to compensate the tenant for reasonable expenses associated with their move whether temporary or permanent.

- 14.2** To qualify for a disturbance allowance, the person claiming for disturbance allowance need to have lived in the property and must be the tenant at the time of the decision to decant.
- 14.3** The basis of the disturbance allowance is to ensure the tenant is not left financially “out of pocket” due to the move. Examples of the items which can be included are:-
- The cost of removals and/or storage of belongings
  - The cost of altering soft furnishings, e.g refitting carpets, altering curtains and blinds if possible, if not, replacement of these items up a maximum value of £600 (although laminate flooring will not be included)
  - Redirection of mail
  - Reimbursement of extra costs related to work or education whilst in temporary accommodation
  - Disconnection and reconnection of appliances and utilities, such as cookers, domestic electrical appliances, telephone lines and satellite dishes
  - The cost of cattery or kennels for pets if they cannot be accommodated in any temporary accommodation
  - Loss of wages where time off is unavoidable due to displacement
  - New school uniforms if children need to change schools and associated costs
  - Costs of necessary redecorating of new home
  - Removal and re-fitting of fixtures and fittings such as curtain poles, shelving, grab rails, as appropriate
  - Installation of disability aids and adaptations
  - Provision of a shower in the decant property (where the tenant has a need due to health issues, as agreed with an occupational therapist).
- 14.4** If the tenant is moved on a temporary basis, a further disturbance allowance will be payable when the tenant moves back into their original home.
- 14.5** A tenant may also claim disturbance allowance including other expenses during a short term move. The tenant must provide receipts or invoices for expenses and payment will only be made where they are deemed to be necessary by the project team. The Council will pay for such items directly if this has been agreed in advance. In such cases, the tenant must provide information on the service or items which are to be procured and all relevant details relating to the supplier so that a purchase order can be raised.
- 14.6** Any other debts owed to the Council by a tenant will not be deducted from their disturbance payments. All payments will be made by BACS transfer and cannot be paid in cash.
- 14.7** The Council requests that at least two quotes are obtained for the purpose of removals and the cost of carpets. The cost of removals will be paid direct to the removal company.
- 14.8** If a tenant is required to move out only for a very short time and is relocated to B&B

or other suitable alternative accommodation such as the home of a friend or relative, then they will not be entitled to disturbance payments. However, they will be entitled to reasonable expenses which will be agreed by the project team in advance.

## **15. Home Loss Payments**

**15.1** The statutory guidance for Home Loss Payments are set out in the Land Compensation Act 1973. Tenants are entitled to this payment where a permanent decant is required.

**15.2** This payment will be paid at a flat rate set by the Government. To qualify for a Home Loss Payment the tenant:

- Must have resided at the property for a minimum of one year;
- Is required to move permanently due to improvement or development works or because their home is to be demolished;
- Is living in the property as their main and principle residence; or
- Their existing property is being re-modelled and they are moving out temporarily before moving back. A Home Loss Payment would only be due in such a case if their home was being completely changed by the improvement works, for example, a three bedroom home was being divided and they were going to move back to a one bedroom flat.

**15.3** If a tenant is entitled to a Home Loss Payment and has any other debts to the Council, these will be offset against the amount granted.

**15.4** Where there are joint tenants, one Home Loss Payment will be shared equally between them.

**15.5** If, for any reason, a tenant has to move out of their property because of major repairs resulting from their damage or neglect then they will not be entitled to a Home Loss Payment.

**15.6** Where a tenant entitled to a Home Loss Payment dies prior to receiving the payment, a claim may be made by any adult who had lived in the property with the tenant for a minimum of one year as their main residence. The claimant must also be entitled to succeed to the tenancy.

## **16. Consulting tenants**

**16.1** We have a duty to consult with tenants under Section 105 of the Housing 1985 Act on matters of housing management. We will consult with tenants on housing management matters when they relate to the management, maintenance, improvement or demolition of dwelling houses let by the Council under secure tenancies.

## **17. Service standards**

**17.1** The Council is committed to the principles of openness and transparency and for this reason we will ensure that this policy is well-publicised. If there are any operational

matters which impact upon our ability to operate this policy, we will ensure that information about this is given to tenants and other stakeholders.

## **18. References**

- The Housing Act 1985
- Planning and Compensation Act 1991
- Home Loss Payment (Prescribed Amount) (England) Regulations 2014
- Land and Compensation Act 1973

## **19. Equality and Diversity**

- 19.1** The Council will tailor its services to meet the diverse needs of individuals. We will foster good relations with people when providing services to eliminate discrimination and to promote equality of opportunity.

## **20. Review**

This Policy has been written in line with good practice and current relevant legislation. Unless there are any changes to such legislation beforehand, the next review of this Policy is due January 2021 and every four years thereafter.



**HOMES PDG**  
**17<sup>TH</sup> JANUARY 2017:**

## **PERFORMANCE AND RISK REPORT FOR 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 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 Homes for this quarter.
- 1.4 All appendices are produced from the corporate Service Performance And Risk management system (SPAR).

### **2.0 Performance**

- 2.1 The PI for **Rent Arrears as a Proportion of Annual Rent Debit** is on target and has consistently been in the upper quartile when compared with the New HousingMark National Club benchmarking group.
- 2.2 The PI for the **Average Days to Re-let** time has risen slightly above the target of 16 days; this has been due to the heavy workload experienced for major

voids, which has had a knock on effect on the standard voids and therefore the re-let 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 PI Report Homes

Monthly 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
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\* Indicates that an entity is linked to the Aim by its parent Service

#### Corporate Plan PI Report Homes

##### Priorities: Homes

##### Aims: Build more council houses

##### Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Actual to Date	Head of Service / Manager	Officer Notes
<u>Build Council Houses</u>		14	30	n/a	n/a	0	n/a	n/a	0	n/a	n/a		n/a	n/a		0 (2/4)	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	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Actual to Date	Head of Service / Manager	Officer Notes
<u>Number of affordable homes delivered (gross)</u>	14 (2/4)	27	80	n/a	n/a	16	n/a	n/a	3	n/a	n/a		n/a	n/a		3 (2/4)	Angela Haigh	(Quarter 1 - 2) Quarter two saw the addition of three new shared ownership properties. (NS)
<u>Deliver 15 homes per year by bringing Empty Houses into use</u>	4 (2/4)	8	15	0	1	2	3	5	5	5	10					10 (8/12)	Simon Newcombe, Tanya Wenham	(November) On target (TW)

##### Aims: Other

**Corporate Plan PI Report Homes**

**Priorities: Homes**

**Aims: Other**

**Performance Indicators**

Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Actual to Date	Head of Service / Manager	Officer Notes
<u>Local Plan Review</u>	n/a	n/a		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		n/a	Jenny Clifford	
<u>Number of Successful Homelessness Prevention Cases</u>	154 (2/4)	295	No Target - for information only	n/a	n/a	70	n/a	n/a	136	n/a	n/a		n/a	n/a		136 (2/4)	Angela Haigh	
<u>% Decent Council Homes</u>	99.5% (8/12)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%					100.0% (8/12)	Angela Haigh, Nick Sanderson	(November) On target (SB)
<u>% Properties With a Valid Gas Safety Certificate</u>	100.0% (8/12)	99.9%	100.0%	99.9%	99.8%	99.9%	99.9%	99.8%	100.0%	99.7%	100.0%					100.0% (8/12)	Angela Haigh	(November) The expired property is a long term No Access issue. The property is considered abandoned. MDDC to seek possession for non-payment of rent. (WD)
<u>Rent Collected as a Proportion of Rent Owed</u>	98.8% (8/12)	99.7%	100.0%	95.5%	96.8%	97.3%	97.8%	99.8%	99.6%	99.7%	99.7%					99.7% (8/12)	Angela Haigh	(November) Performance is outside target but it is almost there and is better than it was over the same period last year. (CF)
<u>Rent Arrears as a</u>	1.1% (8/12)	0.7%	1.0%	0.9%	1.0%	1.0%	1.1%	0.1%	1.0%	1.0%	1.0%					1.0% (8/12)	Angela Haigh	

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Corporate Plan PI Report Homes																		
Priorities: Homes																		
Aims: Other																		
Performance Indicators																		
Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Actual to Date	Head of Service / Manager	Officer Notes
<b>Proportion of Annual Rent Debit</b>																		
<b>Dwelling rent lost due to voids</b>	0.68% (8/12)	0.75%	no target - for information only	0.7%	0.7%	0.7%	0.7%	0.6%	0.6%	0.6%	0.1%					0.1% (8/12)	Angela Haigh	
<b>Average Days to Re-Let Local Authority Housing</b>	15.8days (8/12)	16.3days	16.0days	21.9days	16.8days	17.2days	16.8days	16.3days	15.6days	12.4days	16.4days					16.4days (8/12)	Claire Fry, Nick Sanderson	

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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**

<b>Current Status:</b> Medium (5)	<b>Current Risk Severity: 5 -</b> Very High	<b>Current Risk Likelihood: 1 -</b> Very Low
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**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**

<b>Current Status:</b> Medium (5)	<b>Current Risk Severity: 5 -</b> Very High	<b>Current Risk Likelihood: 1 -</b> Very Low
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**Head of Service: Nick Sanderson**

**Review Note:** Every Council property is tested, in line with best practice.

## 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 (5)**

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

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

**Head of Service: Nick Sanderson**

**Review Note:** Legislation requires Landlords to ensure that annual gas safety checks are carried out in properties with any fixed gas appliances regardless of ownership. Within the Councils domestic housing stock this is done in line with the current standards and best practice, and is monitored by the Gas and Database Administrator.



## Homes PDG Risk Management Report - Appendix 2

**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:**

Printed by: Nicola Chandler

SPAR.net

Print Date: 05 January 2017  
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# Risk Matrix Homes Appendix 3

Report  
 Filtered by Service: Housing Services  
 Current settings

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

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## Briefing on Empty Homes

### Homes PDG January 2017



#### 1.0 Introduction

The private sector housing team has implemented an empty homes plan which aims to focus on those properties that have an adverse effect on the local community and have been empty for two years or more.

The main objectives of this plan are:

- To regenerate areas where empty homes are having an adverse effect on the community
- To maximise the use of the districts existing housing stock
- To provide more homes to meet the demand for affordable housing
- To alleviate the pressure on the Councils own housing stock
- To improve the visual impact of derelict and eyesore properties.

These objectives link to Mid Devon District Councils corporate plan 2016-20 which has four main priorities concentrating on economy, homes, community and environment. The empty homes work relates directly to these priorities and in particular to economy and homes. There is a target within the corporate plan to bring 15 empty homes back into use each year.

#### **Economy - Improving and regenerating our town centres**

The private sector housing team contributes to this priority by:

- Intervening in empty homes,
- Ensuring that flats over shops are safe for occupation, and

#### **Homes – Facilitating the housing growth that Mid Devon needs, including affordable homes**

The team contributes to this by:

- Bringing empty homes back into use as housing across the various tenures including private rented, affordable rent and home ownership.
- Providing loans to assist landlords, home owners and empty home owners to improve their properties, carry out essential repairs and install energy efficiency measures.

## 2.0 Approach

Council tax data has been obtained which identifies the addresses of the long term empty homes across the district. Those properties that have been empty for two years or more have been plotted on a map (below) to identify if there is a pattern or 'clustering' of properties. This map has formed the basis of the initial inspection programme which aims to prioritise the properties for action based on the condition of the property and its impact on the community.

When a property is confirmed to be vacant, it will be subject to a priority assessment based on a number of factors. These include:

- Condition of the property: Appearance (the degree to which the premises are unsightly and detrimental to the area, including matters such as decorative repair, rubbish accumulations and overgrown vegetation); General condition (physical condition of the premises, both internal and external; for example, whether the building is in an uninhabitable condition);
- Community impact: Crime and anti-social behaviour (historic and future risk; including arson, trespass, squatting, fly-tipping and graffiti); Prominence (property size and location; for example, whether the property is in a high profile location seen by many, or down a side street only ever seen by very few if any people); Physical effect (whether the condition of the property is causing damage to other residential buildings; for example, whether the roof is leaking to such an extent that water penetration has begun to affect neighbouring homes);
- Time vacant (the length of time the property has been empty).
- Whether there have been complaints about the property

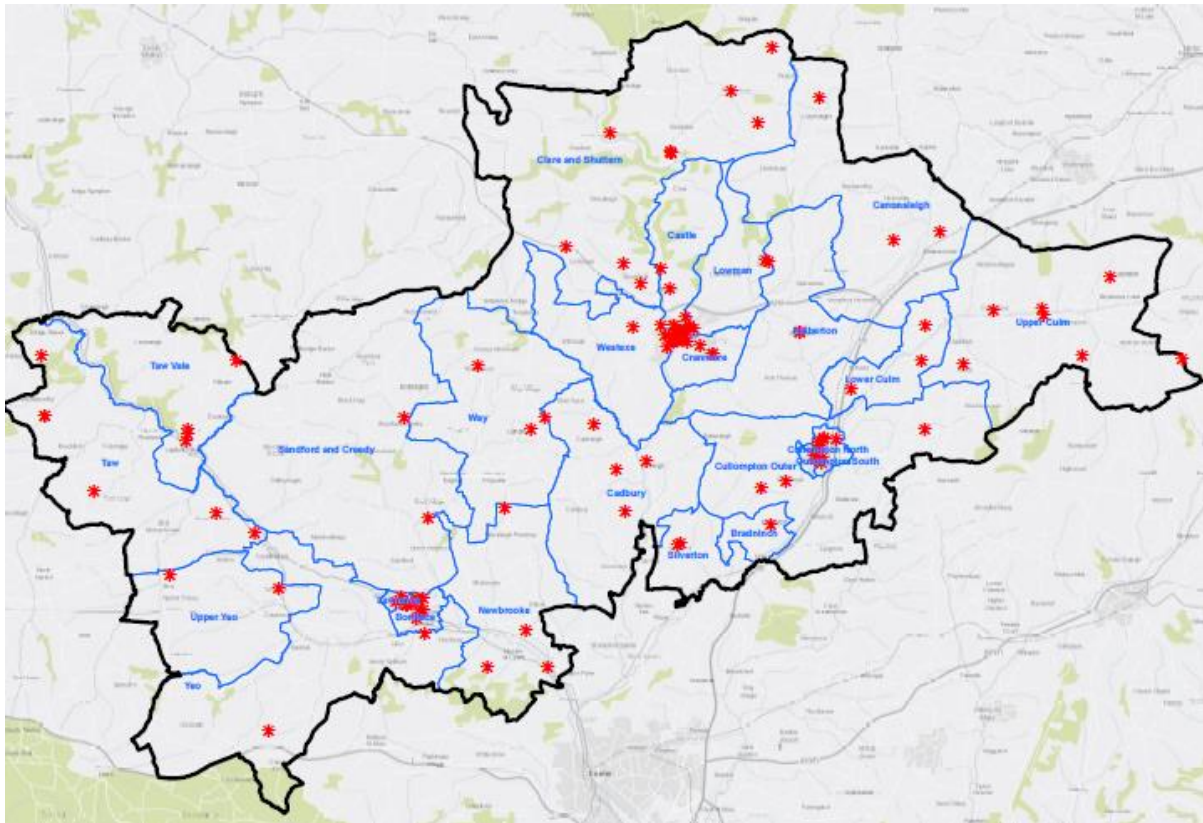
For each category, the property will be assessed as having no effect, minor impact or a major impact. Based on the assessment, points are awarded for each category.

The points awarded are totalled and each property is given an overall score, with the maximum score being 90. The overall score is then placed into one of three bandings, namely:

- High (Red) priority = 40 and over;
- Medium (Amber) priority = 25-39;
- Low (Green) priority = 24 or less

Any empty residential property given a High rating will usually be recommended for enforcement action should informal intervention be unsuccessful. Properties given a Medium rating may also be considered for such action.

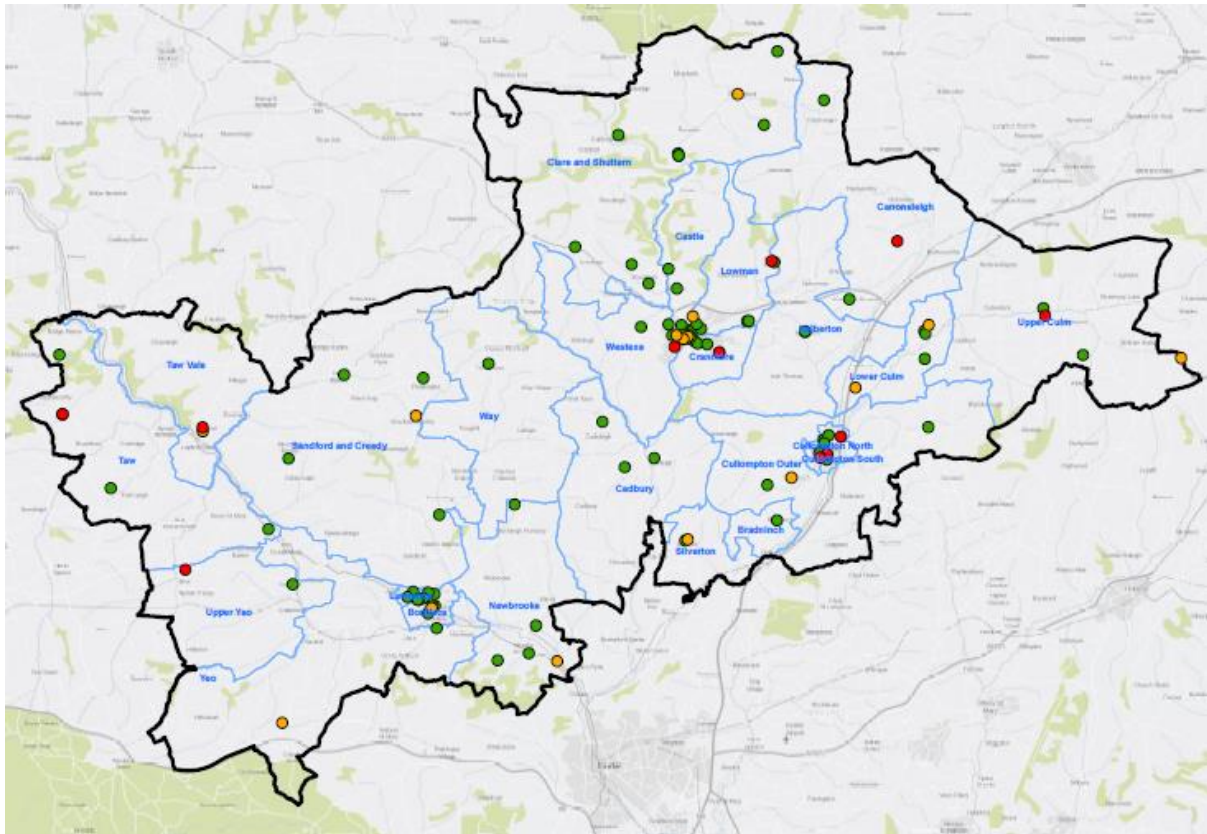
Properties given a Low priority are unlikely to be subject to enforcement action unless there are particular circumstances that render such action in the public interest.



**Map showing council tax data of all properties that have been empty for 2 years or more as of September 2016.**

During October 2016 the team undertook an intensive inspection programme to visit all those properties mapped above. These inspections were carried out by officers across the public health team and with assistance from council tax officers. 132 properties were visited, of which, 12 properties were identified as a high priority (red), 23 were medium priority (amber) and 84 were low priority (green) 13 properties were either occupied or inaccessible.

The 12 high priority properties are now been targeted for action and an initial letter has been sent to the owners requesting they make contact with the private sector housing team by the end of January 2017. At which point further intervention will be considered.



**Map showing the location of the long term empty properties that have been prioritised as high (red), medium (amber) or low (green) priority.**

### **3.0 Options for intervention**

There are a number of options available to the council to tackle empty homes and no single type of action fits all circumstances.

The private sector housing team are developing a toolkit of options that range from informal assistance through to enforcement action.

The team are currently working on the following initiatives:

- Partnerships with local Letting Agents, Estate Agents, and auction houses.
- Potential for lease-repair schemes and/or purchase-repair schemes
- Promoting the loan scheme.

The team are also exploring enforcement options such as:

- The compulsory purchase of the land or building concerned to ensure that the site is brought back into use;
- Following the service of a statutory notice, the carrying out of works-in-default to improve property conditions. This would result in the placing of a charge on the



property to secure the repair costs as a debt. This debt can be registered with the land registry as a first charge and therefore has priority for repayment;

- The enforced sale of a property, as a means of recovering any debt owed to the council (such as a debt resulting from works-in-default).

#### **4.0 Next steps**

- In 2017 the team will focus on the highest priority properties in an attempt to bring those back into use.
- In November an email to update all ward councillors on empty homes activity was sent out. There was also a request asking for information on any known empty properties that are causing problems in the community for the team to check our records and then visit and prioritise as necessary.
- The team will continue to review the empty property list held by council tax for any changes on a monthly basis.
- The properties that have been empty for 6 months to 2 years will also be mapped and visited in stages to be prioritised.

Author: Tanya Wenham, Lead Officer (Private Sector Housing)

Manager: Simon Newcombe, Public Health and Professional Services Manager

4<sup>th</sup> January 2017

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## Briefing on Home Improvement Loans Homes PDG January 2017



### 1.0 Introduction

The council has supported a home improvement loan scheme, which is administered through Wessex Resolutions CIC since 2011. Recent years have shown a significant decrease in loan activity leading to the council considering the validity of the scheme for the area.

The scheme was originally introduced to help address poor housing conditions in privately owned housing often lived in by elderly and/or vulnerable people. It also provided an alternative to grants giving access to responsible finance that was a loan and could be recycled to help more people.

The scheme links to Mid Devon District Councils corporate plan 2016-20 which has four main priorities concentrating on economy, homes, community and environment. The home improvement loan relates directly to these priorities and in particular to homes.

#### **Homes – Facilitating the housing growth that Mid Devon needs, including affordable homes**

The team contributes to this by:

- Providing loans to assist landlords, home owners and empty home owners to improve their properties, carry out essential repairs and install energy efficiency measures.
- Improving the condition of the existing housing stock

In February 2016 a report was taken to the PDG reflecting the issues that had come to light regarding the scheme. A recommendation was put forward that was taken to Cabinet to delegate the decision on the future of the scheme to the relevant cabinet member and Director. This decision allowed for a review of the options available to either revise the scheme or withdraw from it.

Following the review that was undertaken during the summer of 2016, a revised scheme was put forward jointly by officers and Wessex and this is currently being piloted with the support of the cabinet member for housing. The pilot commenced on 1<sup>st</sup> October 2016 is due to end in March 2017 when a final decision will be required as to whether MDDC remain part of the scheme or decide to withdraw funding and support.

## 2.0 Pilot changes

The following reasons were identified as contributing factors to the low take up:

- Difficulty with converting enquiries into a loan application due to the process of application taking too long
- Challenges around publicising the product to hard to reach customers, making the advantages of the scheme clear and not having a long term tactical marketing plan.
- Issues with a difficult and convoluted application process

Having identified the contributing factors, recommendations were put forward for changes to the scheme to improve the application process, the time frame for delivery and the marketing of the scheme.

A summary of the pilot changes are detailed below:

- Mid Devon District Council to delegate loan sanctioning authority to Wessex Resolutions CIC for delivery of the project until 31<sup>st</sup> March 2017.
- There will be no maximum affordability or savings criteria – client(s) must demonstrate affordability within WRCIC financial assessment to borrow responsibly.
- Properties must be located within the Mid Devon District – there will be no minimum property ownership criteria.
- Loans will only be available to property owners – homeowners, landlords, empty property & park home owners.
- Works will only be provided for property improvements and clients are only required to provide one quote for eligible works.
- Tactical marketing plan in place to generate genuine leads.
- Introduction of new target time frames for key stages of the process.

## 3.0 Pilot progress

Compared to the activity in 2015/16 there has been a marked increase in the number of referrals received and an improvement in the number of cases those that are now staying in the system.

In summary up to 30<sup>th</sup> November 2016 the pilot has achieved:

- 12 new enquiries have been received. 4 of these are from partner agencies such as CHAT, CosyDevon, Devon Carers and Age UK.
- 7 referrals with 2 more in the pipeline. This referral rate is ten times higher per week than last year and 50% higher on average for the scheme since it commenced.
- Decline rates are over 75% lower than the previous year. This means that despite higher numbers of enquiries in previous years the number of cases that are progressing is much higher, with only 2 cases failing to progress.

- Loans are being completed in just 3-weeks (enquiry to sanction) which compares to an average of 19 weeks for the scheme before the pilot changes.
- 2 loans sanctioned with drawdown due in January 2017. No loans were sanctioned in the whole year of 2015/2016.
- Total amount sanctioned is £14,800.
- The value of loans in the pipeline that will be sanctioned by the end Jan 2017 is £58,000 (three times greater than the total completed in the whole of 2015/16 with the outturn likely to be higher still). To do date, therefore, the expected value of the current loan referrals is £72,800.
- 2 further enquiries that are expected to progress during the pilot have an estimated value of £32,000.
- If all expected activity proceeds then approximately £104,000 will be sanctioned by 31<sup>st</sup> March 2017 with a view to this capital being repaid and recycled.
- Mid Devon are now performing strongly compared to neighbouring authorities, including Exeter who has also made changes to the scheme in their area.

#### **4.0 Next steps**

- The progress of the pilot is being monitored on a monthly basis to check that the changes are working efficiently and that the marketing plan is effective.
- A final decision on whether to continue with the scheme will need to be made by the end of April 2017.
- To date the response has been positive and the objectives set prior to the start of the pilot are on target to be met.
- However, this is a challenging time of the year to promote loans and get contractors to commit to providing quotes and/or starting work and therefore it should be expected that the drawdown of funds will be lower than the amount approved/sanctioned.
- Once a decision has been made on the future of the scheme further tactical marketing will be undertaken to maintain the interest that has been generated during the pilot period.
- Ultimately the aim is that the scheme becomes self-sustaining without the need for further capital from the council

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4<sup>th</sup> January 2017

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