

Public Document Pack

Mid Devon District Council

Community Policy Development Group

Tuesday, 29 November 2016 at 2.15 pm
Exe Room, Phoenix House, Tiverton

Next ordinary meeting
Tuesday, 31 January 2017 at 2.15 pm

Those attending are advised that this meeting will be recorded

Membership

Cllr Mrs E M Andrews
Cllr Mrs A R Berry
Cllr F W Letch
Cllr Mrs E J Slade
Cllr Mrs H Bainbridge
Cllr Mrs G Doe
Cllr B A Moore
Cllr R J Dolley
Cllr Mrs C P Daw

A G E N D A

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

1 **Apologies and Substitute Members**

To receive any apologies for absence and notices of appointment of substitute Members (if any).

2 **Public Question Time**

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

Note: A maximum of 30 minutes is allowed for this item.

3 **Minutes of the Previous Meeting** (*Pages 5 - 12*)

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

4 **Chairmans Announcements**

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

5 **Financial Monitoring** *(Pages 13 - 30)*

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

6 **Draft Budget** *(Pages 31 - 74)*

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

7 **Performance and Risk** *(Pages 75 - 82)*

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.

8 **Council Tax Reduction Scheme** *(Pages 83 - 114)*

To receive a report from the Director of Finance, Assets and Resources providing Members with details of the proposed changes to the Council Tax Reduction Scheme from April 2017.

9 **Regulation of Investigatory Powers** *(Pages 115 - 128)*

To receive a report from the Director of Corporate Affairs and Business Transformation requesting that Members review and make recommendation to Cabinet with regard to approving the Council's updated RIPA policy.

10 **Future Policy**

At the request of the Chairman the Group, with officers, to discuss possible future policy development for areas covered by its remit.

11 **Identification of Items for the Next Meeting**

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

Public Health 6 monthly update
Active Devon
Anti-Social Behaviour Stats

Stephen Walford
Chief Executive
Monday, 21 November 2016

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

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

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

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

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

Tel: 01884 234209

E-Mail: jstuckey@middevon.gov.uk

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MID DEVON DISTRICT COUNCIL

MINUTES of a **MEETING** of the **COMMUNITY POLICY DEVELOPMENT GROUP**
held on 27 September 2016 at 2.15 pm

Present

Councillors B A Moore (Chairman)
Mrs E M Andrews, F W Letch,
Mrs E J Slade, Mrs H Bainbridge, R J Dolley
and Mrs C P Daw

Apologies

Councillor(s) Mrs A R Berry

Also Present

Councillor(s) R M Deed, C R Slade and Mrs M E Squires

Also Present

Officer(s): Jill May (Director of Corporate Affairs and Business Transformation), Julia Stuckey (Member Services Officer), John Bodley-Scott (Economic Development & Regeneration Manager), Lee Chester (Leisure Centre Manager), Rob Fish (Principal Accountant), Andrew Jarrett (Director of Finance, Assets and Resources), Simon Newcombe (Public Health and Professional Services Manager) and Amy Tregellas (Head of Communities and Governance and Monitoring Officer)

31 **APOLOGIES AND SUBSTITUTE MEMBERS**

Apologies were received from Cllr Mrs A R Berry.

32 **PUBLIC QUESTION TIME**

Mr David Margetts, Trustee at Citizens Advice, referring to item 7 on the agenda asked if the total spend by the Council would remain the same irrespective of which option was selected and if it would be possible to bring the timescales forward to allow for the signing of contracts at an earlier time, which would be helpful for the groups concerned.

The Chairman informed Mr Margetts that his question would be answered at the agenda item.

33 **MINUTES OF THE PREVIOUS MEETING**

The Minutes of the last meeting were approved as a correct record and **SIGNED** by the Chairman.

34 **CHAIRMANS ANNOUNCEMENTS**

The Chairman had no announcements to make.

35 **PERFORMANCE AND RISK**

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

The Officer outlined the contents of the report and in the discussion that followed the use of colour within the report was raised as an issue. The officer confirmed that this would be addressed.

Note: - * Report previously circulated and attached to Minutes.

36 **FINANCIAL MONITORING**

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 Principal Accountant outlined the contents of the report, explaining that figures for August had become available since the publication of the agenda.

The officer explained that the overall variance forecast for the authority stood at £200k within the report and that this figure had changed to £300k at the end of August. This represented 3.4% of the net budget.

Main areas affecting the forecast overspend relating to the Community PDG were Leisure, Planning income and Housing Benefit subsidy.

Note: - * Report previously circulated and attached to Minutes.

37 **GRANT PAYMENTS TO EXTERNAL ORGANISATIONS 2016-17**

The Group had before it a report * from the Grants and Funding Officer which sought Member approval for changes to the approach to Strategic Grant funding for 2017/18 to 2019/20.

The Head of Communities and Governance informed Members that a number of options had been put to a working group on 12th September 2016. The Group had discussed transferring the grant allocation for the Museum of Mid Devon Life and the Tourist Information Centre from the grants budget to the Economic Development budget as the service they provided fitted was a better fit with the economy and tourism work that was being undertaken.

The second matter discussed by the working group involved looking at the reduced pot of funding that remained and deciding how best to use it. In previous years cuts had been made in the allocation to groups in receipt of grants but it was felt that this was not the best approach and undertaking the process annually meant that the groups concerned struggled to plan strategically. An option was proposed which meant adopting a commissioning approach to the process. This would involve starting afresh, with each organisation being able to put a case to the authority as to

why they should be recipients of funding. This was endorsed by the working group who had considered that this would focus on groups that contributed to the well-being of communities.

The officer highlighted a couple of changes to the proposed timetable within the report, confirming that if approved the report would go to Cabinet on 27th October and following their approval the consultation process could commence.

In answer to Mr Margetts question the officer confirmed that the total spend would be the same regardless of the option selected but that it was anticipated that a cut to the budget would be required. The timetable was a 'best guess' as to how quickly the change could be delivered and officers would aim to bring it forward as soon as was possible.

It was **RECOMMENDED** to Cabinet that:

1. The Museum of Mid Devon Life and Tiverton Tourism Information Service be moved from the grants budget to a separate tourism budget;
2. Option 2, a commissioning approach to future grant allocations, should be adopted; and
3. Grants to be paid on an annual basis for the duration of the 2015-2020 Corporate Plan.

(Proposed by Cllr Mrs H Bainbridge and seconded by Cllr Mrs E J Slade)

Note: - Report * previously circulated and attached to Minutes.

38 **LEISURE SERVICES REGULAR UPDATE**

At an earlier meeting the Group had requested a six monthly update from the Leisure Services Manager (Development and Performance). The officer gave a presentation which outlined a description of the service, areas that had changed and the short and medium term objectives. Members were shown processes that were in place to maintain housekeeping, maintenance and health and safety as well as new artwork and website design.

Discussion took place regarding:

- Campaigns that had taken place;
- Work that was being undertaken to link to GP's to relaunch the referral scheme;
- The rebrand and the potential to become a viable business.

The Chairman thanked the officer for his presentation.

39 LEISURE PRICING UPDATE

The Group had before it and **NOTED** a report * from the Leisure Manager (Development and Performance) updating Members on items within the Leisure Pricing Policy, from the PDG recommendations of 2 February 2016.

The Officer explained that in line with the recommendations the pricing structure had been applied, and further reviews had taken place to simplify the structure, improving the branding/presentation of the fees, and ensuring a corporate standard and approach to charging for lettings across the facilities.

Branding and marketing material had been presented in a format that clearly identified fees and charges for adult, junior and concessionary fees. This re branding also applied to all marketing material, and would be represented on the updated leisure website to launch early October 2016.

A corporate approach to a series of lets had been applied across the facilities for 2016/17, with a cost per area analysis to be completed in preparation for the Leisure Pricing Policy for 2017/18. This would ensure that the operational costs per activity area were reflected in the charges, and that future lettings were considered within a fully commercial context.

Discussion took place regarding:

- Aims that the service would be breaking even by 2020 net of capital charges;
- Capital charges;
- Any increase in population may help with membership figures;
- The cost of running wetside facilities.

Note:- Report * previously circulated and attached to Minutes.

40 EXE VALLEY LEISURE CENTRE EXTENSION

The Group had before it a report * from the Leisure Manager (Development and Performance) proposing a business case for constructing an extension with internal modification to the fitness facilities at Exe Valley Leisure Centre, purchasing new equipment and upgrading the changing amenities.

The officer explained that the Exe Valley Leisure Centre was considered to be at capacity, particularly at peak times, and had the potential to increase income by expanding the fitness facilities, in addition to modifying the ancillary facilities, such as the changing areas and car parking to accommodate membership growth.

An options appraisal was conducted by an independent organisation, Leisure Futures, in August 2014. One of the recommendations concluded that, an extension of the fitness facilities was the optimum invest-to-save option to accommodate an unmet demand for fitness memberships in the Centre's catchment area.

A feasibility study had been completed by AFLS&P Architects Limited, which had proposed three options for design and specification of an extension to the fitness facilities.

The officer explained that design proposals had been reviewed by a project team of officers, senior management and Cabinet Members, with option 2 provisionally identified as a preferred option.

Discussion took place regarding:

- Confidence that there was a demand for increased capacity;
- Data used during the extension at the Lords Meadow facility had proved trustworthy;
- During evenings the centre was currently at capacity.

It was **RECOMMENDED** to the Cabinet that the fitness facility development project at Exe Valley Leisure Centre be identified as a Leisure priority, and that option 2 be approved as the preferred option.

(Proposed by the Chairman and seconded by Cllr F W Letch)

Note: - * Report previously circulated and attached to Minutes.

41 **HEALTH AND SAFETY POLICY**

The Group had before it and **NOTED** a report *from the Health and Safety Officer.

It was **AGREED** that the Health and Safety Policy be reviewed by the Health and Safety Committee and actions contained within the report be undertaken prior to a future review by the Group.

Note:- * Report previously circulated and attached to Minutes.

42 **ENVIRONMENTAL HEALTH PARTNERSHIP WORKING**

The Group had before it and **NOTED** a report * from the Public Health and Professional Services Manager providing members with an update on current partnership and collaborative working to increase the resilience of the Environmental Health team and achieve public health objectives.

The Officer outlined the contents of the report explaining that the Environmental Health team, working with and alongside other public health professionals, were key partners in local and national efforts to protect, improve the health and quality of life, and reduce health inequalities of the individuals and communities in Mid Devon. Areas covered included food, environmental protection, control of communicable disease, health protection, occupational health and safety and private water supplies.

Discussion took place regarding:

- Food fraud and multi-agency work that was undertaken to detect this;
- Environmental protection;
- Markets and inspections that are undertaken;
- Proceed of crime funds.

Note: - * Report previously circulated and attached to Minutes.

43 PUBLIC HEALTH PLAN

The Group had before it a report * from the Public Health and Professional Services Manager providing a framework for public health action across Mid Devon.

The officer outlined the contents of the report informing Members that the Public Health Strategy and Action Plan aligned with and directly supported a number of key themes in the Corporate Plan such as working with private landlords to improve housing conditions, working with local communities to encourage them to support themselves and to increase physical activity and promote health and wellbeing

The production of a Public Health Plan was a priority project within the Corporate Plan for completion 2016-17.

The officer advised the Group that the Public Health Plan was informed by the priorities set out in the Devon Joint Health and Well Being Strategy to address health inequalities and the district specific health surveillance data. This data was set out in a range of clinical and health indicators measured against England, Regional and Devon averages and produced by Public Health England and Public Health Devon at Devon County Council.

The four priorities in Mid Devon were prevention of cardiovascular disease and cancer, decent high quality housing, emotional/mental health and resilience and air quality.

It was **AGREED** that this Group receive a six monthly update on Public Health.

Discussion took place regarding:

- Private sector housing and what action could be taken against landlords that did not provide decent homes;
- Lifestyle choices and how they affected life expectancy;
- The need to work with Leisure Services and to encourage links with GP's;
- The difficulties of working with a zero budget;
- Local walking groups and the benefits of them.

It was **RECOMMENDED** to Cabinet that Council be asked to approve the Public Health Strategy Action Plan for 2016 – 2019.

(Proposed by the Chairman)

Note: - * Report previously circulated and attached to Minutes.

44 EXPANDING THE ROLE OF THE CQC - CONSULTATION

The Care Act 2014 required the Care Quality Commission (CQC) to carry out performance assessments of providers of health and adult social care services. These performance assessments were provided in the form of a rating.

When ratings were introduced in 2014 they were limited to NHS Trusts and NHS Foundation Trusts, GP practices, adult social care providers and independent hospitals.

The Government would like the CQC to develop ratings for other sectors that they regulated and was seeking views on this issue.

Discussion took place regarding the consultation and it was **AGREED** that a response be sent on behalf of the Group regarding concerns about funding.

It was **AGREED** that the information regarding consultation be put in WIS for Members to complete individually.

Note: - Consultation documents previously circulated and attached to Minutes.

45 **FUTURE POLICY DEVELOPMENT**

This item was deferred to the next meeting of the Group.

46 **IDENTIFICATION OF ITEMS FOR THE NEXT MEETING**

Community Engagement Strategy
Community Engagement Action Plan
Financial Monitoring
Performance and Risk
Town and Parish Charter
RIPA
Environmental Issues in the Westex Area

(The meeting ended at 5.00 pm)

CHAIRMAN

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CABINET
27 OCTOBER 2016

FINANCIAL UPDATE FOR THE SIX MONTHS TO 30 SEPTEMBER 2016

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

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

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

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

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

Legal Implications: None.

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

1.0 Introduction

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

2.0 Executive Summary of 2016/17

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

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

3.0 The General Fund Reserve

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

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

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

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

4.0 Housing Revenue Account (HRA)

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

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

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

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

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

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

Description	Budget £'000	Forecast Outturn £'000	Variance £'000
1 x Tipper Vehicle	24	24	0

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

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

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

5.0 Major Repairs Reserve

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

6.0 Capital Programme

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

7.0 Capital Contingency Reserve

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

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

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

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

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

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

9.0 Treasury Management

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

Interest Receivable:

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

10.0 Conclusion

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

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

Contact for more information:

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ajarrett@middevon.gov.uk

Circulation of the Report:

Cllr Peter Hare-Scott, Management Team

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

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

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

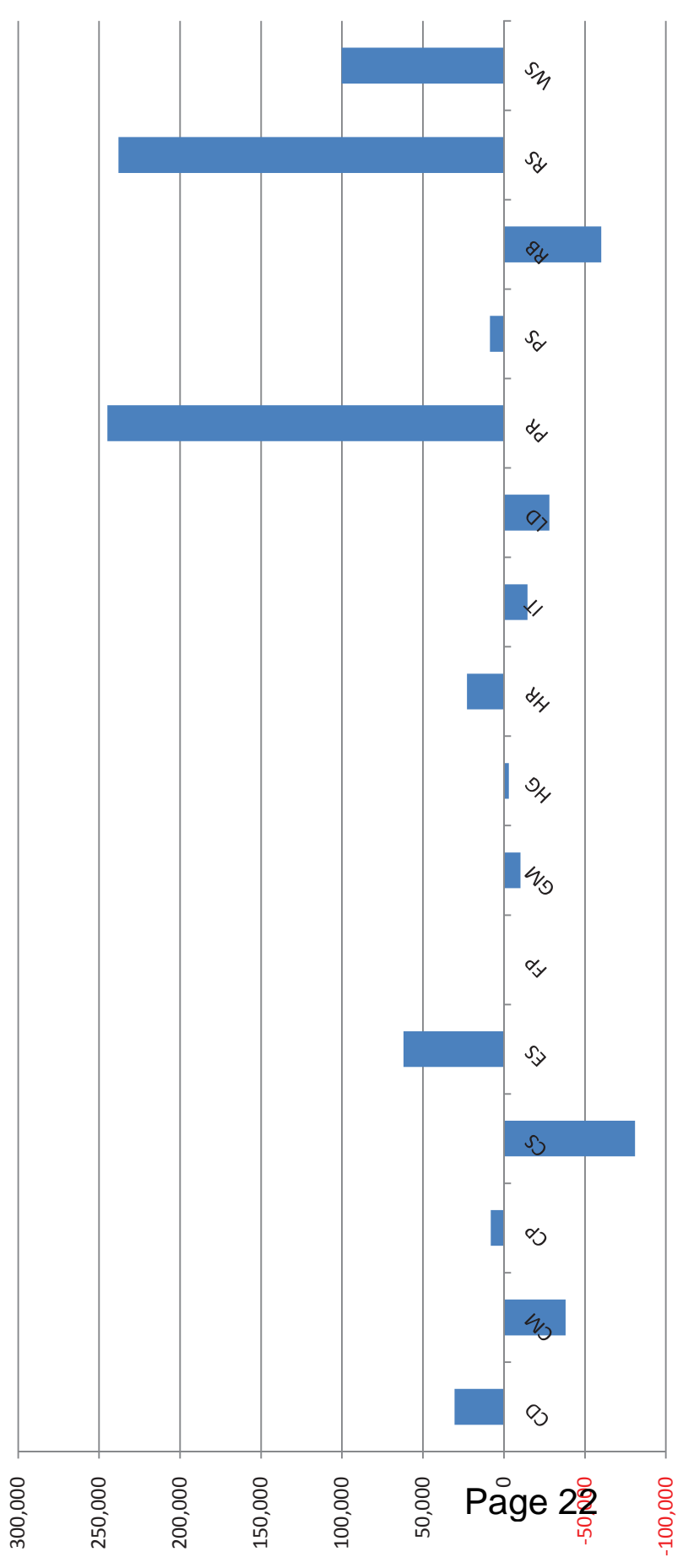
Note	Description of Major Movements	Full Year Forecast Variation (Net of Trf to EMR)	PDG
D	Environmental Services combined		
	Environmental Enforcement salary underspend from part year vacant post	(10,000)	Community
	Overspend on E/Health salary budget which is part off-set by savings in PSH, increase costs of 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
		11,400	
I	Community Development		
	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
		500	
J	Recreation And Sport		
	All sites: Overhead overspend (various including new equipment and event supplies)	56,000	Community
	All sites: Income year end under target	90,000	Community
	All sites: Salaries overspend (various including management restructure)	92,000	Community
		238,000	
L	Revenues And Benefits		
	Housing Benefit Subsidy	(60,000)	Community
		(60,000)	
N	Planning And Regeneration		
	Grant spend (covered by High Street Innovation Fund ear marked reserve)	43,308	Community
	Building Control: Salary savings net of ECC plan checking	(10,000)	Community
	Development Control: Salaries	(25,000)	Community
	Land charges minor variance	(12,000)	Community
	Development Control: Consultancy costs	30,000	Community
	Development Control: Fees & Charges net of future large applications	91,000	Community
	Fwd. Planning: Proposed Greater Exeter Strategic Plan agreed by Cabinet	70,000	Community
	Forward Planning: Flood modelling work, Cullompton Jn 28	80,000	Community
	Business Development - salary savings due to a restructure	(22,400)	Community
		244,908	
	FORECAST (SURPLUS)/DEFICIT AS AT 31/03/17	434,808	

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

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

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

2016/17 General Fund Projected Outturn Variance £



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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Cabinet

27 October 2016

Draft 2017/18 General Fund and Capital Budgets

Cabinet Member

Cllr Peter Hare-Scott

Responsible Officer

Andrew Jarrett Director of Finance, Assets & Resources

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

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

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

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

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

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

1.0 Introduction

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

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

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

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

2.0 The Draft 2017/18 Budget

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

Table 1 – Reconciliation of Major 2017/18 Budget Variances

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

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

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

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

3.0 The Future

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

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

4.0 Capital Programme

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

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

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

5.0 The November/December PDGs and Cabinet meetings

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

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

6.0 Public Consultation

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

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

The three services valued the lowest comprised:

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

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

7.0 Statutory, Discretionary Services and the Level of Service Provision

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

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

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

What can we do to balance the budget?

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

What options are available if something is *statutory*?

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

- Property services

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

8.0 Conclusion

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

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

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

GENERAL FUND REVENUE ACCOUNT DRAFT BUDGET SUMMARY 2017/18

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

Current Assumptions :

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

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PDG SERVICE UNIT MOVEMENTS

Appendix 2

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

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COMMUNITY PDG 2017/18 Service Unit Budgets

Summary of PDG

Service Unit	Description	2015/16 Actual	2016/17 Budget	2017/18 Budget	Movement
SCD01 Community Development	Community Development	410,627	414,980	98,700	(316,280)
SCS20 Customer Services Admin	Customer Services Admin	104,159	108,040	108,030	(10)
SCS22 Customer First	Customer First	937,742	752,020	682,530	(69,490)
SES01 Emergency Planning	Emergency Planning	20	0	0	0
SES04 Public Health	Public Health	814	22,640	44,370	21,730
SES16 Es Staff Units/Recharges	Es Staff Units/Recharges	570,944	557,070	593,750	36,680
SES17 Community Safety	Community Safety	50,817	53,970	57,890	3,920
SES18 Food Safety	Food Safety	(18,219)	(4,650)	(12,530)	(7,880)
SES19 Health And Safety At Work	Health And Safety At Work	50,670	0	0	0
SES21 Licensing	Licensing	(5,923)	(12,430)	(15,470)	(3,040)
SES22 Pest Control	Pest Control	4,184	4,000	4,000	0
SES23 Pollution Reduction	Pollution Reduction	5,525	4,230	4,240	10
SPR01 Building Regulations	Building Regulations	59,482	(2,060)	(5,330)	(3,270)
SPR02 Enforcement	Enforcement	104,579	96,500	102,170	5,670
SPR03 Development Control	Development Control	561,693	142,100	161,010	18,910
SPR04 Local Land Charges	Local Land Charges	(30,377)	(24,600)	(33,010)	(8,410)
SPR09 Forward Planning	Forward Planning	199,651	205,210	199,290	(5,920)
SPR11 Regional Planning	Regional Planning	98,601	92,200	318,340	226,140
SRB01 Collection Of Council Tax	Collection Of Council Tax	245,593	234,950	227,600	(7,350)
SRB02 Collection Of Business Rates	Collection Of Business Rates	(75,606)	(74,290)	(76,180)	(1,890)
SRB03 Housing Benefit Admin & Fraud	Housing Benefit Admin & Fraud	72,837	118,030	139,530	21,500
SRB04 Housing Benefit Subsidy	Housing Benefit Subsidy	(173,802)	(75,000)	(75,000)	0
SRB06 Debt Recovery	Debt Recovery	36,015	62,910	94,380	31,470
SRS01 Recreation And Sport	Recreation And Sport	367,609	(82,410)	(17,480)	64,930
	TOTALS	3,577,636	2,593,410	2,600,830	7,420

SCD01 Community Development

Group	Description	2015/16 Actuals	2016/17 Budget	2017/18 Budget	Movement £
1000	Employees	232,840	233,750	100	(233,650)
3000	Transport	4,269	3,290	0	(3,290)
4000	Cost Of Goods And Services	233,506	177,940	98,600	(79,340)
7000	Income	(59,988)	0	0	0
	Sum:	410,627	414,980	98,700	(316,280)

Cost Centre	Cost Centre Name	2017/18 Budget
CD200	Community Development	98,290
CD205	Ho Communities & Gov	410
CD210	Community Services Unit	0
	TOTAL	98,700

10% Savings	41,498
20% Savings	82,996

Cost Pressures/Savings on Basis of Current Service Provision

CD200 - Employee costs of £46.5k now sit within SPR06 Economic Development.

Reallocation of grants budget to Economic Development (£76.5k).

CD205 - The post of Head of Communities and Governance has been removed (£82k).

CD210 - Employee costs of (£153k) and other direct costs of (£5.7k) also now sit within Economic Development, which falls under the Economy PDG.

Impact and Risks if 10% Savings Imposed

A grants working group has been set up and the Communities PDG has recommended that future grant allocations be made following bids from external agencies.

After removing the grants for Tiverton Museum of Mid Devon Life, Tiverton Tourism Information Service and Grand Western Canal, which now fall under Tourism, the total grant budget in this service area is £86,375. A reduction of £8,637 would be required to meet the 10% target.

Impact and Risks if 20% Savings Imposed

As above but would mean £17,275 budget reduction.

SCS20 Customer Services Admin

Group	Description	2015/16 Actuals	2016/17 Budget	2017/18 Budget	Movement £
1000	Employees	64,638	78,060	81,270	3,210
3000	Transport	(44)	40	40	0
4000	Cost Of Goods And Services	39,649	29,940	26,720	(3,220)
7000	Income	(84)	0	0	0
	Sum:	104,159	108,040	108,030	(10)

Cost Centre	Cost Centre Name	2017/18 Budget		
CS900	Central Photocopying	4,130	10% Savings	10,804
CS902	Central Postage	20,870	20% Savings	21,608
CS910	Customer Services Admin	83,030		
	TOTAL	108,030		

Cost Pressures/Savings on Basis of Current Service Provision

1% increase on salaries
 Reduced service and maintenance costs on new folding machine purchased in 16/17

Impact and Risks if 10% Savings Imposed

CS900 10% saving £692 - Achieved via reduced service and maintenance for the new folding machine. Saving £2,250

CS902 10% saving £2,130 - Moving 20% of post to hybrid mail solution could make a saving of circa £2k

CS910 10% Saving £8,048 - Could be achieved by a reduction of 12 hrs by a Scale 5 employee. The impact would be:

- Scanning may not be done on day delivered
- Less support to front line - phones/reception

This could be negated if more post were to be sent by hybrid mail and reducing unnecessary printing by more use of digital communication.

SCS20 Customer Services Admin

Impact and Risks if 20% Savings Imposed

CS900 20% saving £1,384 - Achieved via reduced service and maintenance for the new folding machine. Saving £2,250

CS902 20% saving £4,150 - Moving 40% of post to hybrid mail solution could make a saving of circa £5k

CS910 20% saving £16,096 - Could be achieved by a reduction of 24 hrs by a scale 5 employee. The impact would be:

- scanning not completed on the day of receipt
- no support to front line services
- impact on waste permit admin, effect on cash collection
- unable to complete printing for other services, Member services, council tax etc.

This could be partly negated if more post sent by hybrid mail, more use of email and online transactions, reduce unnecessary printing by more use of digital communication, but I would suggest this needs to be a longer term project with any savings made after implementation. Staff would be needed during the transition.

SCS22 Customer First

Group	Description	2015/16 Actuals	2016/17 Budget	2017/18 Budget	Movement £
1000	Employees	884,671	687,590	631,080	(56,510)
3000	Transport	2,349	3,040	2,840	(200)
4000	Cost Of Goods And Services	51,424	61,390	48,610	(12,780)
7000	Income	(701)	0	0	0
	Sum:	937,742	752,020	682,530	(69,490)

Cost Centre	Cost Centre Name	2017/18 Budget
CS200	Communications	37,930
CS500	Messenger Services	45,220
CS930	Customer First Management	170,320
CS932	Customer First	405,780
CS936	Crediton Office Section	0
CS938	Digital Strategy Staffing	23,280
	TOTAL	682,530

10% Savings	75,202
20% Savings	150,404

Cost Pressures/Savings on Basis of Current Service Provision

1% increase on salaries offset by Digital Strategy fixed contracts coming to an end
Digital publishing of Mid Devon Talk has saved £9,600.
Removal of £7k to Crediton Town Council start up payment following the closure of the Crediton office.

SCS22 Customer First

Impact and Risks if 10% Savings Imposed

CS200 10% saving £2,729 - Achieved via moving to digital publication of Mid Devon Talk.

CS500 10% saving £4,497 - options:

- Staffing reduction of 7 hr pwk at scale 4.
- Could also be achieved by removing overtime budget £5,000.

Impact

- Changes to Terms and conditions.
- Reduced flexibility possible reduction to support to evening meetings or changes to arrangements first thing in the morning, opening the building collecting post.

CS930 10% savings £16,853 - Could be achieved by:

- A fundamental review of the service moving forward.
- Less support for communications.

Impact of item 2

- Little impact if rota introduced where team leaders work set hours to cover the full day.
- Could be mitigated by channel shift, helping more customers self-serve, and better use of technology.

CS932 10% savings £40,691 - Could be achieved by a reduction of 60 hours in scale 5 staff. Impact:

- longer call waiting times
- longer waiting times in the office may need reduced opening hours for face to face
- slower responses to web/email interactions
- cease taking payments in our offices

Mitigations – more channel shift, self-service, greater resource to digital and web transactions, improved use of technology – customer portal.
But will not be available for 2017-18.

SCS22 Customer First

Impact and Risks if 20% Savings Imposed

CS932 20% savings £81,382 - Could be achieved by a reduction of 120 hrs of staff at scale 5. Impact:

- longer call waiting times, possible reduction in call hours
- longer waiting times in the office, reduced opening hours, greater use of duty officers in services to come down and see customers.
- slower responses to web/email interactions
- cease taking payments in our offices
- no support for communications
- less support with social media
- delays in responding to complaints
- impact on garden waste permit sales
- impact on collection rates of rent, council tax, ndr etc.

mitigations – more channel shift, self- service, greater resource to digital and web transactions.

improved use of technology – customer portal

visitors by appointment only.

Not available for 2017-18

Any reduction in front line service should be designed as part of business transformation.

SES04 Public Health

Group	Description	2015/16 Actuals	2016/17 Budget	2017/18 Budget	Movement £
1000	Employees	14,871	18,430	39,490	21,060
2000	Premises	347	100	100	0
3000	Transport	10	250	250	0
4000	Cost Of Goods And Services	5,844	6,110	6,780	670
7000	Income	(20,257)	(2,250)	(2,250)	0
	Sum:	814	22,640	44,370	21,730

Cost Centre	Cost Centre Name	2017/18 Budget		
ES360	Dog Warden	4,090	10% Savings	2,264
ES361	Public Health	40,280	20% Savings	4,528
ES362	Abandoned Cars And Litter	0		
	TOTAL	44,370		

Cost Pressures/Savings on Basis of Current Service Provision

1000 - Increase is due to the Public Health officer full-time salary being shown in the budget, half of this costs is being off-set by the Public Health earmarked reserve.

Impact and Risks if 10% Savings Imposed

- Only salary savings could be made on Public Health but this would result in MDDC having to pay back Devon County Council grant funding for half of this post.

Impact and Risks if 20% Savings Imposed

SES16 Es Staff Units/Recharges

Group	Description	2015/16 Actuals	2016/17 Budget	2017/18 Budget	Movement £
1000	Employees	539,498	521,870	553,350	31,480
3000	Transport	24,399	25,310	28,020	2,710
4000	Cost Of Goods And Services	7,107	9,990	12,480	2,490
7000	Income	(60)	(100)	(100)	0
	Sum:	570,944	557,070	593,750	36,680

Cost Centre	Cost Centre Name	2017/18 Budget
ES720	Es Management	0
ES730	Environmental Enforcement	217,120
ES733	Environmental Health	376,630
	TOTAL	593,750

10% Savings	55,707
20% Savings	111,414

Cost Pressures/Savings on Basis of Current Service Provision

1000 - 0.5 FTE has been transferred this budget from Private Sector Housing, System Admin post is on a higher grade than budgeted. 1% pay award.

Impact and Risks if 10% Savings Imposed

- 1 FTE or a reduction in hours of 1 day per week across 5 members of the Environmental Health team. This service is responsible for statutory duties such as food protection, water quality, air quality and control of pollution. A reduction of 10% would result in a poor service of delivery of these statutory duties and would see a reduction in some of the income budgets i.e. water sampling.
- Reduction of 1 FTE within the Environmental Enforcement team £23k.
- Enforcement of Housing Car Park £3.5k.
- Reduction of call-out (stray dogs) as this could be carried out by a kennel service, and overtime within the Enforcement team could result in a saving of £8.3k.

Impact and Risks if 20% Savings Imposed

- Further loss of 1 FTE within the Environmental Health team would result in non-compliance in carrying out statutory duties.

SES17 Community Safety

Group	Description	2015/16 Actuals	2016/17 Budget	2017/18 Budget	Movement £
1000	Employees	50,928	51,810	47,850	(3,960)
3000	Transport	1,552	1,770	1,670	(100)
4000	Cost Of Goods And Services	21,082	6,390	14,370	7,980
7000	Income	(22,746)	(6,000)	(6,000)	0
	Sum:	50,817	53,970	57,890	3,920

Cost Centre	Cost Centre Name	2017/18 Budget		
ES250	Community Safety	57,890	10% Savings	5,397
ES252	Building Safer Community Fund	0	20% Savings	10,794
ES254	Csp - Police Fund	0		
ES256	Community Safety Partnership	0		
	TOTAL	57,890		

Cost Pressures/Savings on Basis of Current Service Provision

ES250 - The Community Safety Emergency Planning Officer has reduced their hours, resulting in a (£4.1k) saving.

£8k has been added to the budget for contribution towards a Devon County Emergency Plan Co-ordinator post, which will align policy and procedures and standardise responses with other Councils. This is a 3 year agreement.

Impact and Risks if 10% Savings Imposed

This would have to be met by a further reduction in working hours or a reduction in grant. Current grant budget for Community Safety is £4,750

Risks - Managing current workloads, a decision would need to be made on where existing duties will be reduced. Further consultation would be needed with CSP Partners to ensure continued engagement in the CSP and that priorities are delivered as per expectations.

Impact and Risks if 20% Savings Imposed

A serious reduction in hours for both posts would be required to make this saving.

Risks - The partner contribution that MDDC currently receives towards the CSP support role (£3k from both Fire and EDDC) would reduce or stop, as they would not see the benefit of their contributions when the workload will need to be cut to match reduced hours.

Workloads that currently exist would not be covered and the CSP Partners and MDDC would have to decide which aspects of the role are priorities to continue, CSP, Safety Advisory Group and Emergency Planning. MDDC reputation as a major contributor to community safety work would be at risk. Co-ordinated response to antisocial behaviour, crime prevention initiative and community safety messages would be lost.

SES18 Food Safety

Group	Description	2015/16 Actuals	2016/17 Budget	2017/18 Budget	Movement £
1000	Employees	358	500	510	10
4000	Cost Of Goods And Services	12,899	14,120	17,230	3,110
7000	Income	(31,475)	(19,270)	(30,270)	(11,000)
	Sum:	(18,219)	(4,650)	(12,530)	(7,880)

Cost Centre	Cost Centre Name	2017/18 Budget		
ES260	Food Protection	6,770	10% Savings	(465)
ES270	Water Quality Monitoring	(19,300)	20% Savings	(930)
	TOTAL	(12,530)		

Cost Pressures/Savings on Basis of Current Service Provision

7000 - Increased income budget for water sampling.

Impact and Risks if 10% Savings Imposed

- Statutory Duty

Impact and Risks if 20% Savings Imposed

- Statutory Duty

SES21 Licensing

Group	Description	2015/16 Actuals	2016/17 Budget	2017/18 Budget	Movement £
1000	Employees	93,734	86,050	89,080	3,030
3000	Transport	1,297	1,100	1,100	0
4000	Cost Of Goods And Services	24,503	21,120	20,740	(380)
7000	Income	(125,458)	(120,700)	(126,390)	(5,690)
	Sum:	(5,923)	(12,430)	(15,470)	(3,040)

Cost Centre	Cost Centre Name	2017/18 Budget		
ES550	Licensing	(106,600)	10% Savings	(1,243)
ES740	Licensing Unit	91,130	20% Savings	(2,486)
	TOTAL	(15,470)		

Cost Pressures/Savings on Basis of Current Service Provision

ES550 - (£5.6k) Increased licensing income from updated licence numbers, adding 1% on to fee income and charging for advice.

ES740 - £3k. 1% on salaries and movement in pay spine points.

Impact and Risks if 10% Savings Imposed

The Licensing service is approx. 73% cost recoverable, the total cost of the function to the Council is approx. £45k which includes recharges. This means a 10% saving would be approx. (£4.5k) which has already been met by increasing income as stated above.

Impact and Risks if 20% Savings Imposed

Licensing fees are a mixture of those set by Government nationally under the Licensing 2003 Act and those set locally under other legislation with up to 100% cost recovery. At present the Government fees are unchanged and do not achieve full cost recovery. Legally the licensing function must be cost accounted in a ring fenced manner and any income or savings must be ring fenced to the service.

Reviews are continually carried out to ensure cost recovery on locally set fees and 17/18 budget already reflects an increase and the implementation of charging for advice.

Other options to achieve the saving is to reduce staffing levels. **RISK** - Less enforcement work being carried which is already recognised as being under capacity and ultimately lead to less income being received (legally), non compliance to new legislation, challenges with appeals etc.

SES22 Pest Control

Group	Description	2015/16 Actuals	2016/17 Budget	2017/18 Budget	Movement £
4000	Cost Of Goods And Services	4,184	4,000	4,000	0
	Sum:	4,184	4,000	4,000	0

Cost Centre	Cost Centre Name	2017/18 Budget		
ES600	Pest Control	4,000	10% Savings	400
	TOTAL	4,000	20% Savings	800

Cost Pressures/Savings on Basis of Current Service Provision

No budgetary movement.

Impact and Risks if 10% Savings Imposed

- Contract with MITIE could be terminated but this would then increase the enforcement notices the E/Health team would need to do on Pest Control.

Impact and Risks if 20% Savings Imposed

SES23 Pollution Reduction

Group	Description	2015/16 Actuals	2016/17 Budget	2017/18 Budget	Movement £
2000	Premises	521	900	920	20
4000	Cost Of Goods And Services	18,422	12,350	12,940	590
7000	Income	(13,418)	(9,020)	(9,620)	(600)
	Sum:	5,525	4,230	4,240	10

Cost Centre	Cost Centre Name	2017/18 Budget	10% Savings	20% Savings
ES650	Contaminated Land	0		
ES660	Control Of Pollution	13,590		
ES670	Local Air Pollution	(9,350)		
	TOTAL	4,240	423	846

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Cost Pressures/Savings on Basis of Current Service Provision
 Small budgetary tweaks only

Impact and Risks if 10% Savings Imposed
 - Statutory Duty

Impact and Risks if 20% Savings Imposed
 - Statutory Duty

SPR01 Building Regulations

Group	Description	2015/16 Actuals	2016/17 Budget	2017/18 Budget	Movement £
1000	Employees	240,357	217,010	236,460	19,450
3000	Transport	14,850	16,880	16,870	(10)
4000	Cost Of Goods And Services	51,280	44,580	22,140	(22,440)
7000	Income	(247,005)	(280,530)	(280,800)	(270)
	Sum:	59,482	(2,060)	(5,330)	(3,270)

Cost Centre	Cost Centre Name	2017/18 Budget
PR100	Building Regulations	(5,330)
	TOTAL	(5,330)

10% Savings	(206)
20% Savings	(412)

SPR01 Building Regulations

Cost Pressures/Savings on Basis of Current Service Provision

Salary costs

Savings already made with regard to staffing. Manager replaced with 50% FTE. Two Senior Surveyors replaced with part qualified assistance reducing salaries by £20K. Staff savings do not show in budget as the number of staff have increased due to the inclusion of administrators (Rose Murphy and Karen White), but this should be matched by cross charge from Development Control no longer occurring.

Income / Cost relationship

There is effectively no discretionary spending within the Building Control budget. The cost of the service is determined by the fee income which is impacted by the quality of service provided and our ability to compete competitively and the economic cycle.

Economy

Early evidence following the referendum result indicates a slowdown in economic and construction activity which is negatively impacting fee income.

The Building (Local Authority Charges) Regulations 2010

The Building Regulation service is required to break even and must not cross subsidise other areas of activity. Hence, any reduction in costs should correspond to a reduction in fees resulting in no benefit.

Statutory Services

The Local Authority is required to provide a Building Control Service and enforce the Building Regulations maintains registers of Building Regulation applications and initial Notices.

Impact of competition

Competitors are improving their offering to the market and increasing effectiveness of marketing. Major players are also consolidating their operations as illustrated by the purchase of BBS, Green Door and Approved Building Control by Stroma who were previously a Competent Persons registration scheme. This will inevitably put pressure on Mid Devon Building Control's market share which is bigger than all competitors combined.

SPR01 Building Regulations

Impact and Risks if 10% Savings Imposed

Reduction in ICT charges through partnership

Investment in systems this year enables partnership working with North Devon which will reduce the combined ICT costs whilst facilitating digital transformation of business processes. Estimated reduction in annual charges to the combined service between £46K-£34K

iApply

Introduction of iApply web submission platform will increase efficiency of registration process. However, in the short to medium term this is unlikely to impact adequately to justify a reduction in staff but automation of payments will also reduce impact on other support services (exchequer, customer services).

Drive towards digital communication should reduce postal and printing costs.

Introduction of mobile working

Potential efficiency gains in recording of inspections will provide a marginal benefit. However, the tablet devices can also be used for storage of reference material negating the need to purchase key documents such as the Building Regulations and associated Approved Documents.

SPR01 Building Regulations

Impact and Risks if 20% Savings Imposed

Relocate Building Control personnel to Woodlands, South Molton to share premises with North Devon eliminating service charge for Phoenix House (saving is only realised if vacated space can be utilised).

Reduction in ICT charges through partnership

Investment in systems this year enables partnership working with North Devon which will reduce the combined ICT costs whilst facilitating digital transformation of business processes. Estimated reduction in annual charges to the combined service between £46K-£34K.

Introduction of mobile working

Potential decrease in mileage due to reduced need to return to office for updating records. Tablet devices can also be used for storage of reference material negating the need to purchase key documents such as the Building Regulations and associated Approved Documents.

Reduction in level of inspection associated with Building Control applications. Reduced level of compliance leading to damage to reputation of Mid Devon Council. Increased risk of negligence claims ombudsman complaints. Failure to meet Building Control Performance Standards. Reduced customer satisfaction impacting market share and reducing fee income.

No longer responding to dangerous structures . Taking action under Section 77 and 78 of the Building Act 1984 by a Local Authority is discretionary power. However, failing to exercise this power would have consequences: • Continuing danger to the public with risk of injury or death; • Disruption to travel and business due to road closures; • Negative press coverage ; • Damage to reputation ; • Ombudsman complaint; • Potential negligence

No longer control demolitions

Serving a Building Act 1984 Section 81 Notice to impose conditions on demolition works is a discretionary power. However, failing to exercise this power would have consequences: • Lack of enforcement power with regard to demolition; • Unsealed drains ; • Increased noise and pollution ; • Damage and moisture penetration to neighbouring buildings; • Potentially dangerous materials remaining on site ; • Negative press coverage; • Damage to reputation; • Ombudsman complaint; • Potential negligence.

SPR02 Enforcement

Group	Description	2015/16 Actuals	2016/17 Budget	2017/18 Budget	Movement £
1000	Employees	76,415	87,070	87,350	280
2000	Premises	0	0	0	0
3000	Transport	4,091	4,410	3,720	(690)
4000	Cost Of Goods And Services	24,073	5,020	11,100	6,080
7000	Income	0	0	0	0
	Sum:	104,579	96,500	102,170	5,670

Cost Centre	Cost Centre Name	2017/18 Budget		
PR110	Enforcement	100,380	10% Savings	9,650
PR900	Dangerous Buildings And Trees	1,790	20% Savings	19,300
	TOTAL	102,170		

Cost Pressures/Savings on Basis of Current Service Provision

Impact and Risks if 10% Savings Imposed

Service savings unable to be found unless from employee costs via a reduction in staff. Unlike some other elements of the planning service there is little opportunity in enforcement to raise income. Income via an award of court costs in our favour can result from successful legal action but cannot be predicted or relied upon and contributes little to the service budget. The service also looks for opportunities to raise finance from Proceeds of Crime Act, but this is dependent upon receipt of a suitable case.

Impact of 10% cut in service budget would mean a reduction in staff from the existing 2.5FTE. Results: Greater time taken to investigate breaches of planning control, greater triaging of cases with emphasis only on higher priority cases, service being purely reactive and less public and impaired member satisfaction with the service. It is likely that more breaches of planning control would result.

Impact and Risks if 20% Savings Imposed

The results of a 20% reduction in service budget would be the same as those for 10%.

SPR03 Development Control

Group	Description	2015/16 Actuals	2016/17 Budget	2017/18 Budget	Movement £
1000	Employees	819,850	873,750	921,470	47,720
3000	Transport	26,730	27,770	29,340	1,570
4000	Cost Of Goods And Services	676,536	74,580	98,200	23,620
7000	Income	(961,422)	(834,000)	(888,000)	(54,000)
	Sum:	561,693	142,100	161,010	18,910

Cost Centre	Cost Centre Name	2017/18 Budget		
PR200	Development Control	119,310	10% Savings	14,210
PR220	Tiverton Eue	41,700	20% Savings	28,420
	TOTAL	161,010		

Cost Pressures/Savings on Basis of Current Service Provision

Increases in both planning income and staffing costs to cope with increased demand.

Impact and Risks if 10% Savings Imposed

Source of additional income identified: Use of Planning Performance Agreements £15,000.

The Government has consulted on its intention to introduce tighter performance targets for the processing of planning and other types of application. Failure to meet the Government's existing 'planning guarantee' of planning decisions within 26 weeks of receipt requires the return of the planning fee unless an extension of time is negotiated. Failure to meet planning performance targets may result in the planning service being placed within special measures – applications are able to be made direct to the Planning Inspectorate. The local authority is expected to administer the application, but will not receive a fee.

This service is an income generator for the Council via planning fees (currently set nationally) and New Homes Bonus arising from new dwellings. Budget reduction will mean a reduction in staff or legal /consultancy part of the budget. This would leave the Council more vulnerable to challenge, particularly at appeal. Reduction in staff will increase application processing times and make the paid for pre-application advice service difficult to resource.

SPR03 Development Control

Impact and Risks if 20% Savings Imposed

Sources of additional income/cost reduction identified:

- Use of Planning Performance Agreements £15,000.
- Charging of s106 monitoring fees £15,000
- Reduction in postage costs by £1,000

Total additional £31,000.

Were 20% savings to be sought, the impacts on the service identified under 10% would be magnified with more return of planning fees and problems meeting the Government's targets for application processing. An increase in the number of appeals for non-determination would be expected which could attract cost awards against the Council. This level of savings would risk the ability of the service being able to deliver the allocated sites within the existing and emerging local plans.

SPR04 Local Land Charges

Group	Description	2015/16 Actuals	2016/17 Budget	2017/18 Budget	Movement £
1000	Employees	50,078	49,200	51,130	1,930
3000	Transport	29	150	100	(50)
4000	Cost Of Goods And Services	53,382	36,510	36,260	(250)
7000	Income	(133,866)	(110,460)	(120,500)	(10,040)
	Sum:	(30,377)	(24,600)	(33,010)	(8,410)

Cost Centre	Cost Centre Name	2017/18 Budget		
PR210	Local Land Charges	(33,010)	10% Savings	(2,460)
	TOTAL	(33,010)	20% Savings	(4,920)

Cost Pressures/Savings on Basis of Current Service Provision

The local land charges service is a statutory service and generates income to cover the cost of the service. Under the "Local Authorities Charges for Property Search Regulations 2008", we are required to obtain a budget that is cost neutral (break- even) over a 3 year cycle. We are not allowed to make a surplus to cross subsidise other departments/services.

The income obtained through property searches is dependent on the economic cycle of the housing market, which could possibly be affected over the coming years by BREXIT. Any reductions or increase in search demand would necessitate the adjustment of search fees to obtain the required cost neutral budget over the 3 year cycle.

We run the service on a 1.8 FTE.

Impact and Risks if 10% Savings Imposed

Statutory service that has to break even - we cannot make a profit and therefore, whilst efficiency is important, budgetary savings are not possible.

Impact and Risks if 20% Savings Imposed

Statutory service that has to break even - we cannot make a profit and therefore, whilst efficiency is important, budgetary savings are not possible.

SPR09 Forward Planning

Group	Description	2015/16 Actuals	2016/17 Budget	2017/18 Budget	Movement £
1000	Employees	188,499	206,760	202,060	(4,700)
3000	Transport	428	2,000	500	(1,500)
4000	Cost Of Goods And Services	20,725	6,450	6,730	280
7000	Income	(10,000)	(10,000)	(10,000)	0
	Sum:	199,651	205,210	199,290	(5,920)

Cost Centre	Cost Centre Name	2017/18 Budget	10% Savings	20,521
PR600	Forward Planning Unit	199,290	20% Savings	41,042
	TOTAL	199,290		

Cost Pressures/Savings on Basis of Current Service Provision

The Forward Planning team have traditionally undertaken a wide range of policy activities, including statutory responsibilities, corporate policy development and responding to Member policy development requests. The team is currently only able to work on statutory responsibilities due to staff shortages and an increase in the scale of the statutory tasks the team is required to undertake. Adoption of the Local Plan is a key corporate priority. There are no opportunities to increase income from this part of the service.

Impact and Risks if 10% Savings Imposed

Either of these levels of saving would need to come from not filling a post or reducing the number of staff. This would risk having insufficient staff to resource the forthcoming Local Plan examination and also risk the subsequent adoption of the Local Plan itself. Work is also starting on the Greater Exeter Strategic Plan. Resources will also be required in 17/18 to represent Mid Devon in this joint area of work. Insufficient resources to do this will reduce the ability for Mid Devon to influence the contents of this plan.

Impact and Risks if 20% Savings Imposed

As per 10% Impact and Risks

SPR11 Regional Planning

Group	Description	2015/16 Actuals	2016/17 Budget	2017/18 Budget	Movement £
1000	Employees	0	0	50,160	50,160
4000	Cost Of Goods And Services	98,733	92,200	268,330	176,130
7000	Income	(132)	0	(150)	(150)
	Sum:	98,601	92,200	318,340	226,140

Cost Centre	Cost Centre Name	2017/18 Budget		
PR800	Planning Policy	14,200	10% Savings	9,220
PR810	Statutory Development Plan	303,960	20% Savings	18,440
PR820	Assets Of Community Value	180		
	TOTAL	318,340		

Cost Pressures/Savings on Basis of Current Service Provision

Planning Policy: Savings to this budget will affect the ability to provide the existing planning policy related work. Any reduction to the existing grant to the Blackdown Hills Area of Outstanding Natural Beauty Partnership would need to be carefully considered. The grant can be regarded as a spend to save. Jointly with East Devon and Taunton Deane it funds the AONB Management Plan and associated staff. If the partnership were to disband due to lack of financial support, Mid Devon would still have a statutory responsibility to produce a management plan for the part of the AONB within the district. Operating in isolation, it would cost more to produce this plan than at present in partnership. Statutory Development Plan: This part of the planning budget funds the production of the development (local) plan, paying for the production of the plan including evidence base, cost of examination and the Inspector. Such costs are spread across several financial years in order to aid budgeting.

Impact and Risks if 10% Savings Imposed

Reductions to this budget will risk the ability to pay for the local plan and to see it through the examination process to adoption. The Greater Exeter Strategic Plan work will also be risked if this budget were cut. These plans are corporate priorities and creating a local plan is a statutory requirement.

Impact and Risks if 20% Savings Imposed

As per 10% Impact and Risks

SRB01 Collection Of Council Tax

Group	Description	2015/16 Actuals	2016/17 Budget	2017/18 Budget	Movement £
1000	Employees	282,174	237,020	235,670	(1,350)
3000	Transport	3,858	5,100	6,150	1,050
4000	Cost Of Goods And Services	91,283	94,830	104,780	9,950
7000	Income	(131,721)	(102,000)	(119,000)	(17,000)
	Sum:	245,593	234,950	227,600	(7,350)

Cost Centre	Cost Centre Name	2017/18 Budget	10% Savings	20% Savings
RB100	Collection Of Council Tax	227,600		
	TOTAL	227,600	23,495	46,990

Cost Pressures/Savings on Basis of Current Service Provision

1% increase in Salaries
 Reduction in number of Apprentices from 2 to 1
 Preceptors additional contribution to C/Tax recovery (£10k) (£27k in total, please see service unit SRB06)
 Council Tax Annexe discount grant (£7k)

Impact and Risks if 10% Savings Imposed

Increasing the use of E-Billing (In the last two months the take up has increased from 178 to 878 a/c's)
 Use of SMS texting to reduce the numbers of reminders being issued.

At present we write off court costs. If the charge payer pays between the issue of the summons and the court date we will no longer remit these costs. Overall 200 cases @ £60 = £12,000 additional income.

We will introduce Single Persons Discount penalties (Based on previous cancellations 200 x £70 = £14,000)

Impact and Risks if 20% Savings Imposed - As detailed above

SRB02 Collection Of Business Rates

Group	Description	2015/16 Actuals	2016/17 Budget	2017/18 Budget	Movement £
1000	Employees	27,936	27,640	28,030	390
3000	Transport	(12)	0	0	0
4000	Cost Of Goods And Services	6,607	8,170	6,290	(1,880)
7000	Income	(110,136)	(110,100)	(110,500)	(400)
	Sum:	(75,606)	(74,290)	(76,180)	(1,890)

Cost Centre	Cost Centre Name	2017/18 Budget		
RB200	Collection Of Business Rates	(76,180)	10% Savings	(7,429)
	TOTAL	(76,180)	20% Savings	(14,858)

Cost Pressures/Savings on Basis of Current Service Provision

No material movement on this service unit to report

Impact and Risks if 10% Savings Imposed

We cannot reduce the Business Rates staff as we have to introduce the 2017 Valuation List and we will be bringing many new businesses into this new list. Also J27 is now on the horizon.

Impact and Risks if 20% Savings Imposed - As detailed above

SRB03 Housing Benefit Admin & Fraud

Group	Description	2015/16 Actuals	2016/17 Budget	2017/18 Budget	Movement £
1000	Employees	405,223	350,520	352,520	2,000
3000	Transport	189	200	200	0
4000	Cost Of Goods And Services	153,433	53,840	53,000	(840)
7000	Income	(486,008)	(286,530)	(266,190)	20,340
	Sum:	72,837	118,030	139,530	21,500

Cost Centre	Cost Centre Name	2017/18 Budget		
RB300	Housing Benefit Admin	139,530	10% Savings	11,803
RB310	Housing Benefit Fraud	0	20% Savings	23,606
RB330	New Burdens - C/Tax Reform	0		
RB340	Local Welfare Assist Scheme	0		
RB350	Universal Credit Deliv P/Ship	0		
RB360	Feris (Fraud) Scheme	0		
	TOTAL	139,530		

Cost Pressures/Savings on Basis of Current Service Provision

1% increase in Salaries
 20 Vacant hours removed, offset by inflationary increase & 3 posts regraded through JE process
 HB & CTB Admin Grant assumed reduction £20.3k

Impact and Risks if 10% Savings Imposed

As we have already reduced staff made savings and introduced efficiencies it would have to be a reduction in staff hours. This would delay processing, payments of HB/CTR and there is greater risk for subsidy which totals £18m (detailed on SRB04 below), this income relies on accurate and timely processing of Benefit claims.
 Sharing with other services and other LA Benefit departments could be considered.

Impact and Risks if 20% Savings Imposed - As detailed above

SRB04 Housing Benefit Subsidy

Group	Description	2015/16 Actuals	2016/17 Budget	2017/18 Budget	Movement £
4000	Cost Of Goods And Services	18,638,499	19,219,600	18,225,770	(993,830)
7000	Income	(18,812,301)	(19,294,600)	(18,300,770)	993,830
	Sum:	(173,802)	(75,000)	(75,000)	0

Cost Centre	Cost Centre Name	2017/18 Budget		
RB400	Housing Rent Allowances	(75,000)	10% Savings	(7,500)
	TOTAL	(75,000)	20% Savings	(15,000)

Cost Pressures/Savings on Basis of Current Service Provision

Housing Benefit & Subsidy income have been realigned to reflect current and projected spend in this area.

Impact and Risks if 10% Savings Imposed

Please refer to comments in SRB03 above. HB subsidy received in respect of payments made is linked to accurate and timely processing and therefore relies on having adequate staffing resource in place. Reduced team performance could have a material effect on subsidy that can be reclaimed in respect of HB payments made.

Impact and Risks if 20% Savings Imposed - As detailed above

SRB06 Debt Recovery

Group	Description	2015/16 Actuals	2016/17 Budget	2017/18 Budget	Movement £
1000	Employees	30,459	56,470	88,580	32,110
3000	Transport	(7)	50	50	0
4000	Cost Of Goods And Services	5,563	6,390	5,750	(640)
	Sum:	36,015	62,910	94,380	31,470

Cost Centre	Cost Centre Name	2017/18 Budget	10% Savings	20% Savings
RB600	Revenues Misc. Income Team	94,380		
	TOTAL	94,380	6,291	12,582

Cost Pressures/Savings on Basis of Current Service Provision

1% increase in Salaries

Intention to make additional Recovery Officer seconded for last 2 years a permanent post £27k. Note this would be funded from Preceptors contribution to recovery detailed on service unit SRB01

Impact and Risks if 10% Savings Imposed

The Miscellaneous Income work is carried out by one member of staff who works 21 hours a week

The other costs are for 2.35 FTE to recover C/Tax & NNDR; as detailed above it is intended to strengthen this team making a seconded post permanent in order to help keep arrears low & assist with collection of additional C/Tax collectable as a result of the CTR (Council Tax Reduction) scheme.

Impact and Risks if 20% Savings Imposed - As detailed above

SRS01 Recreation And Sport

Group	Description	2015/16 Actuals	2016/17 Budget	2017/18 Budget	Movement £
1000	Employees	1,783,249	1,643,080	1,833,510	190,430
2000	Premises	670,707	715,510	708,460	(7,050)
3000	Transport	4,152	4,350	4,380	30
4000	Cost Of Goods And Services	292,327	239,670	279,230	39,560
7000	Income	(2,382,826)	(2,685,020)	(2,843,060)	(158,040)
	Sum:	367,609	(82,410)	(17,480)	64,930

Cost Centre	Cost Centre Name	2017/18 Budget		
RS100	Leis Facilities Maint & Equip	135,510	10% Savings	(8,241)
RS110	Leisure Management & Admin	(132,470)	20% Savings	(16,482)
RS120	Amory Park	0		
RS140	Exe Valley Leisure Centre	(62,770)		
RS150	Lords Meadow Leisure Centre	26,210		
RS160	Culm Valley Sports Centre	16,040		
	TOTAL	(17,480)		

Cost Pressures/Savings on Basis of Current Service Provision

This service has been tasked with breaking even by 2019/20. A major restructuring of the staffing has been made and a new extension to Exe Valley to meet enhanced demand has been recently approved.

Impact and Risks if 10% Savings Imposed

Current service provision would need to be modified, which would almost certainly affect existing customers.

Impact and Risks if 20% Savings Imposed

Current service provision would need to be modified, which would almost certainly affect existing customers.

2017/18 BUDGETS

Appendix 3

Transfers into Earmarked Reserves

Page 71

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

2017/18 BUDGETS

Appendix 4

Transfers from Earmarked Reserves

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

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

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

Provisional 2017-18 Budgeted Capital Programme

Appendix 5

£k

Estates Management

Exe Valley Leisure Centre

Exe Valley Leisure Centre - Replenish sand filters

25

Culm Valley sports centre

CVSC replace end of life AC for fitness Gym

30

Total **55**

Other MDDC Buildings

Pannier Market

Pannier Market- Improvement Project back log maintenance

60

MDDC Shops/Industrial Units

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

50

Play Areas

Play area refurbishment District wide - Amory Park Tiverton

50

Other Projects

Crediton Office - Structural improvement work

30

General Fund Development Schemes

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

5,114

Total **5,304**

Economic Development Schemes

Tiverton Pannier Market awnings & canopy

150

Harlequin Valley Project

200

Tiverton Town Centre improvements

40

Total **390**

ICT Projects

Replacement PC estate

Unified Comms/telephony

107

Digital Transformation replacement of CRM

50

Secure Wifi replacement

50

Parking System Replacement

40

Replacement Queue System

30

Core System Refreshes - Revs/Bens

20

Replacement Estates/Property Systems

50

Total **347**

[Affordable Housing Projects](#)

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

Total 115

[Private Sector Housing Grants](#)

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

Total 594

[Street Cleansing](#)

Medium Sweeper (Street Cleansing) 70

[Grounds Maintenance](#)

Van Tipper 26
Ransomes Mower 35

Total 131

TOTAL GF PROJECTS 6,936

[HRA Projects](#)

[Existing Housing Stock](#)

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

[Housing Development Schemes](#)

Land Banking for Affordable Housing 2,100

[HRA ICT Projects](#)

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

Total 4,844

[HRA Replacement Vehicles](#)

Van Tipper 4.5T (Responsive Repairs) 32

Total 32

TOTAL HRA PROJECTS 4,876

GRAND TOTAL GF + HRA 11,812

[MDDC Funding Summary](#)

[EXISTING FUNDS](#)

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

[NEW FUNDS](#)

Borrowing	5,114
Revenue Contributions	0
Subtotal	5,114
TOTAL FUNDING	11,812

**COMMUNITY PDG
29 NOVEMBER 2016:**

AGENDA ITEM:

PERFORMANCE AND RISK FOR THE SECOND QUARTER OF 2016-17

Cabinet Member Cllr Colin Slade
Responsible Officer Director of Corporate Affairs & 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: That the PDG reviews the Performance Indicators and Risks that are outlined in this report and feeds back 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 Community Portfolio. See 3.0 below.
- 1.3 Appendix 3 shows the profile of all risks for the Community Portfolio for this quarter.
- 1.4 Both appendices are produced from the corporate Service Performance And Risk Management system (SPAR).

2.0 Performance

- 2.1 **Compliance with food safety law** is above target which means that 91% of premises were again rated 3 or above under the Food Hygiene Rating Scheme.
- 2.2 The number of users of the **Leisure** centres is outstanding.
- 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 feedback any areas of concern to the Cabinet.

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

Circulation of the Report: Management Team and Cabinet Member

Corporate Plan Quarterly PI Report Community

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

Key to Performance Status:

Performance Indicators:	No Data	Well below target	Below target	On target	Above target	Well above target
-------------------------	---------	-------------------	--------------	-----------	--------------	-------------------

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

Corporate Plan Quarterly PI Report Community

Priorities: Community

Aims: Work with local communities to encourage them to support themselves

Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Q1 Act	Q2 Act	Q3 Act	Q4 Act	Actual to Date	Head of Service / Manager	Officer Notes
<u>£ Council Grants / Head of Population</u>	n/a	n/a	£1.48	n/a	n/a	n/a		n/a	John Bodley-Scott	

Aims: Promote physical activity, health and wellbeing

Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Q1 Act	Q2 Act	Q3 Act	Q4 Act	Actual to Date	Head of Service / Manager	Officer Notes
<u>Introduce Trimtrails across the District</u>	n/a	n/a	1	n/a	n/a	n/a		n/a	Jill May, Simon Newcombe	
<u>Total number of users is at least 900,000</u>	208,965 (1/4)	824,612	900,000	236,000				236,000 (1/4)	Jill May	
<u>Operational Recovery Rate</u>	83.76% (2/4)	85.15%	88%	84%	83%			83% (2/4)	Lee Chester	

Aims: Other

Corporate Plan Quarterly PI Report Community										
Priorities: Community										
Aims: Other										
Performance Indicators										
Title	Prev Year (Period)	Prev Year End	Annual Target	Q1 Act	Q2 Act	Q3 Act	Q4 Act	Actual to Date	Head of Service / Manager	Officer Notes
<u>Local Plan Review</u>	n/a	n/a		n/a	n/a	n/a		n/a	Jenny Clifford	
<u>Number of web hits per month</u>	0 (2/4)	0	For information only	27,980	29,245			29,245 (2/4)	Liz Reeves	
<u>Compliance with food safety law</u>	n/a	n/a	90%	91%	91%			91% (2/4)	Simon Newcombe	

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Print Date: 08 November 2016
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Community PDG Risk Management Report - Appendix 2

Report for 2016-2017
 For Community - Cllr Colin Slade 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+)

Community PDG Risk Management Report - Appendix 2

Risk: Car Park Car Park Overcrowding

Effects (Impact/Severity):

Causes (Likelihood):

Service: Leisure Services

Current Status: High (20)

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 4 - High

Head of Service: Jill May

Review Note:

Risk: Chemicals Staff using chemicals incorrectly.

Effects (Impact/Severity):

Causes (Likelihood):

Service: Leisure Services

Current Status: No Data

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 2 - Low

Head of Service: Lee Chester

Review Note:

Risk: Legionella Legionella

Effects (Impact/Severity):

Causes (Likelihood):

Service: Leisure Services

Current Status: Medium (5)

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 1 - Very Low

Head of Service: Jill May

Review Note:

Community PDG Risk Management Report - Appendix 2

Risk: Lone Working Lone Working of centre employees

Effects (Impact/Severity):

Causes (Likelihood):

Service: Leisure Services

**Current Status:
Medium (10)**

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

**Current Risk Likelihood: 2 -
Low**

Head of Service: Jill May

Review Note:

Risk: Plant Rooms plant rooms

Effects (Impact/Severity):

Causes (Likelihood):

Service: Leisure Services

**Current Status: No
Data**

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

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

Head of Service: Jill May

Review Note:

Risk: Pool Activities Pool Activities

Effects (Impact/Severity):

Causes (Likelihood):

Service: Leisure Services

**Current Status: No
Data**

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

**Current Risk Likelihood: 2 -
Low**

Head of Service: Lee Chester

Review Note:

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Yandle

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2016 11:26

Risk Matrix Community Appendix 3

**Report
For Community - Cllr Colin Slade Portfolio
Current settings**

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

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COMMUNITY POLICY DEVELOPMENT GROUP

AGENDA ITEM:

29 NOVEMBER 2016

Proposed changes to the Council Tax Reduction Scheme for 2017/18

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

Reason for Report: To provide members with details of the proposed changes to the Council Tax Reduction Scheme from April 2017

RECOMMENDATION(S):

- (1) To note the reasons for the proposal, the consultation process and requirement to approve a revised scheme by 31 January 2017.

That Cabinet subsequently approve;

- (2) To approve the proposed changes to Council Tax Reduction Scheme from 1 April 2017 as detailed in Appendix 1 subject to amendment shown in para 4 of this report
- (3) To approve the updated Council Tax Reduction Exceptional hardship Policy (Appendix 4)
- (4) To continue with delegated authority to the Director of Finance, Assets and Resources to make any minor amendments to the scheme where there appears to be ambiguity in relation to wording of the scheme and the Councils intent for the scheme.
- (5) Members note the requirement to read and consider the Equality Impact Assessment and consider the impact of the proposed changes

Relationship to Corporate Plan: The Council will continue to ensure a localised CTR scheme provides direct financial support in the economic wellbeing of the district taking into account other welfare reforms and council services.

Financial Implications: The overall impact on the Council's financial position is minimal and any savings translate into increased income if the additional Council Tax is recovered . Funding for the Council Tax Reduction Scheme is now included within the Revenue Support Grant and with the ongoing reduction of RSG Council's must ensure their local scheme is fair, transparent and affordable.

Legal Implications: Paragraph 5 of Schedule 1B of the Local Government Finance Act 1992, as amended by the Local Government Act 2012, requires the Council to approve a Council Tax Reduction scheme by 31 January each year.

Risk Assessment: The Council must be confident that the scheme will withstand any equality impact assessment.

There are many unknown risks with changes to schemes where they are based on means testing . Outside factors such as level of unemployment/employment, and increases in the level of Council Tax may affect the amount of support that will need to be funded each year.

1.0 Introduction

- 1.1 Council Tax Reduction (CTR) also known as Council Tax Support was introduced on 1 April 2013 and replaced Council Tax Benefit, which was fully funded by the Department for Work and Pensions.
- 1.2 CTR is a local reduction scheme. The scheme for Working-age customers (those below the age to claim State Pension) is set out in our CTR Scheme Policy. The requirement to have a policy is within S13A and Schedule 1a of the Local Government Finance Act 1992.
- 1.3 The scheme for pension-age customers is a national scheme and is prescribed within Government legislation. Pensioners are protected in order to receive the same level of support they received under the DWP Council Tax Benefit Scheme up to 31 March 2013.
- 1.4 Funding for a CTR scheme is now included within the Revenue Support Grant. Members will recall the Government reduced the level of funding by 10% when responsibility was transferred and have effectively reduced the funds available to support the scheme each year as the level of RSG has been reduced.
- 1.5 Cost of the CTR Scheme

YEAR	Number of Pensioner Claims	Number of Working age Claims	Cost of CTR
March 13 (CTB)	2931	2787	£5,085,710 (CTB)
March 14	2757	2418	£4,280,644
March 15	2622	2299	£4,166,883
March 16	2496	2289	£4,039,274
31 Oct 2016	2416	2225	£4,020,638

2.0 Proposed changes

2.1 On 15 April 2016 a report submitted to the Devon Local Government Steering Group asked Chief Executives and Leaders to consider the future strategy for CTR.

2.2 It was agreed the CTR scheme for working age customers should change to align with recent changes to Housing Benefit and Universal Credit to keep the schemes more closely aligned and reduce any ongoing administrative burden. (See Appendix 1).

2.3

To align with Housing Benefit
Removal of family premium for all new claims or break in claims Removal of Employment & support Allowance Work Related Activity Component for all new ESA claims. Temporary Absence Rule for persons absent from GB for 4 weeks or more No dependant addition for third or subsequent child born on or after 1 April with certain exceptions Backdating reduced to 1 calendar month (from 6 months)

2.4

To align with Universal Credit
Simplify the assessment by using figures within the UC calculation to calculate CTR Introduce a minimum income floor for self-employed customers who have declared zero income for more than 12 months.

3.0 Consultation

3.1 It is a DCLG requirement that all Local Authorities must consult on any proposed changes to their CTR scheme.

3.2 A Supreme Court ruling in 2014 has imposed strict rules surrounding consultation and decision making on CTR schemes. *Supreme Court- R (on the application of Moseley (in substitution of Stirling Deceased) (AP) Appellant v London Borough of Haringey*

3.3 Devon Chief Finance Officers discussed on 27th April 2016 the work involved in changing CTR schemes and it was agreed Devon County Council (DCC) would host the consultation, as a contribution towards the additional resource required.

3.4 Officers from all Devon billing authorities and the major precepting authorities have been working closely in setting the proposals and to maintain a common approach .

- 3.5 Evaluation of evidence from other authorities across the country has taken place to assess any impact and ensure support is in place for those affected.
- 3.6 The consultation was predominantly web based hosted by DCC. Paper versions of the questionnaire were available on request. The consultation period ran from 27th June 2016 to 4th September 2016
- 3.7 As part of the consultation, as well as consulting on various options related to the design of the scheme, case law has clarified that we are also required to consider alternative funding options as opposed to simply changing the current scheme to reduce costs.
- 3.8 A letter was sent to all applicants who currently receive CTR and would be directly affected explaining the impact the changes may have on them. Mid Devon web site contained details of the changes and link to the consultation questionnaire. Articles were included in July and August editions of Mid Devon Talk. Leaflets about the consultation were included with Benefit entitlement statements and sent to local accountants. A briefing was given to local stakeholders and representatives from welfare groups at a meeting on 19th July 2016.
- 3.9 A summary of the Mid Devon responses is available on our website <https://www.middevon.gov.uk/residents/benefits/council-tax-reduction/ctr-consultation-results-summary/> and a summary of the responses to other Devon districts is shown in Appendix 2.
- 3.10 The number of responses has been low across Devon (see table below)

District/City	No. responses received	District/City	No. responses received
Exeter	79	South Hams	18
East Devon	250	Teignbridge	156
Mid Devon	19	Torridge	81
North Devon	82	West Devon	22

4 Amendment to proposed changes

- 4.1 Taking account of responses and other identified issues it is proposed the following amendments be included:
- (i) Proposals 1 and 5. These changes are intended to align CTR with the administration of Housing Benefit. At the present time the Government have not approved the changes to HB but regulations are expected before the 1st April 2017. Members are advised that in the unlikely event that these changes are not effected by Central Government by 1st April 2017, that the Council's Council Tax Reduction scheme will not be amended for 2017 but will be amended from 2018.

- (ii) Proposal 3. To take account of the restriction placed on people who may have limited ability to work 35 hours per week the following is proposed;

The 35 hours will be replaced with 16 hours, or actual hours worked if more than 16, or the actual self- employed earnings if those earnings are above either of these amounts

5.0 Financial Impact

- 5.1. Any reductions to CTR whilst increasing council tax income to the Council and our major preceptors has financial implications for our residents.
- 5.2. Modelling has been undertaken at a pan Devon level which has indicated the proposed changes to the CTR scheme may result in savings of circa £20k for Mid Devon. This figure would be subject to levels of collection
- 5.3. We will continue to offer support on managing finances and advice on other potential benefits through our partnership with Wiser£money.
- 5.4. The Council Tax Exceptional Hardship policy is available for those affected by the proposed changes who may have difficulty paying their council tax. The amounts awarded via this policy are;

2013/14	£7,009.20
2014/15	£24,922.35
2015/16	£17,941.09
2016/17 (to September 16)	£1,537.27

The cost of these awards is shared with the precepting authorities.

- 5.5 The recovery of any additional council tax sums levied on working age claimants and ultimately the impact on the Council Tax Base and the Collection Fund are both key elements of the overall budget setting process for the Council. Council Tax recovery levels are monitored regularly and this will in due course provide an indicator of the changes and whether any additional resource will be required.

6. Equalities Implications /Public Sector Duty

- 6.1. The existing CTR scheme is supported by the original Equality Impact Assessment (EIA) undertaken in 2013 following the consultation in 2012. The proposed changes will continue to support the most vulnerable members of our community as it contain more generous provisions for protecting disabled residents (which is applied to any applicant where a member of the household is in receipt of Disability Living Allowance or Personal Independence Payment (PIP)).
- 6.2 Case law has highlighted that Councillors should note that the scheme

together with all supporting papers, Equality Impact assessments etc. must be considered before making any decision on the scheme .

Due regard should therefore be had to the Public Sector Equality Duty when giving consideration to a review of the scheme and the recommendations in this report.

- 6.3 An equalities impact assessment has been undertaken for the proposed changes to the scheme and this is given at Appendix 3 of this report.

7 Further Reviews

- 7.1 There are many unknown risks with changes to schemes where they are based on means testing. Outside factors such as levels of unemployment, changes in other state benefits and increases in the level of Council Tax affects the amount of support that will need to be funded each year.
- 7.2. A review of the scheme will be undertaken for 2018/19 where further changes may be proposed from 2018 onwards.
- 7.3 Should any amendments be required a further consultation exercise will need to be undertaken during 2017 and approval for a revised scheme made by full Council by 31 January 2018.

8 Conclusion

- 8.1. The Council is required to have a localised Council Tax Reduction scheme approved by 31 January each year to operate from 1 April in the following financial year.
- 8.2. With this proposed scheme we have attempted to protect the most vulnerable in our community by maintaining the link to entitlement to other benefits as a means of entitlement to support.
- 8.3 This meeting will need to approve the proposed changes in order for Cabinet to make recommendation on 1 December 2016 prior to final approval by Full Council on 14 December 2016.

Contact for more Information: Dawn Harris Benefit Manager 01884 234372

Circulation of the Report: Members of Community PDG, Cllr Hare-Scott & Management Team

Proposed changes to Council Tax Support Scheme 2017/18

The proposed working-age Council Tax Support Scheme from 1st April 2017 will be the 2016/17 scheme but including eight changes, outlined below.

The full details of our current scheme can be found on our website www.middevon.gov.uk

PROPOSAL 1. Removing the Family Premium for all new working age applicants

This will change Schedule 1 paragraph 3.

The removal of Family Premium from 1st April 2017 for new claims will bring our Council Tax Support scheme in line with Housing Benefit.

The Family Premium is part of how we assess the 'needs' (Applicable Amounts) of any claimant which is compared with their income. Family Premium is normally given when a claimant has at least one dependant child living with them.

Removing the Family Premium will mean that when we assess a claimant's needs we would not include the family premium (currently £17.45 per week). This change would not affect those on Universal Credit, Income Support, Income Related Employment and Support Allowance or Income Based Jobseeker's Allowance.

PROPOSAL 2. Reducing Backdating to 1 month

This will change section 69.9

Currently claims for Council Tax Support from working age claimants can be backdated for up to 6 months where an applicant shows they could not claim at an earlier time.

Central Government has reduced the period for Housing Benefit claims to 1 month. It is proposed that the Council's Council Tax Support Scheme be aligned with the changes for Housing Benefit.

PROPOSAL 3. Introducing a minimum income floor for the self employed after a 12 month start up period.

This will change section 20.

In order to align Council Tax Support with Universal Credit, the Council proposes to use a minimum level of income (minimum income floor) for those who are self-employed.

This would be in line with the National Living Wage (or National Minimum wage for under 25's) for 35 hours worked per week. The income would not apply for a designated start-up period of one year from the start of the business. Variations would apply to any person who is both employed and self-employed.

PROPOSAL 4. Reducing the period for which a person can be absent from Great Britain and still receive Council Tax Reduction to 4 weeks
This will change section 8.

Within the current scheme, applicants can be temporarily absent from their homes for 13 weeks (or 52 weeks in certain cases) without it affecting the Council Tax Support. This replicated the rule within Housing Benefit.

Housing Benefit has been changed so that if a person is absent from Great Britain for a period of more than 4 weeks, their benefit will cease.

It is proposed that the Council Tax Support scheme is amended to reflect the changes in Housing Benefit. There will be exceptions for certain occupations such as mariners and the armed forces.

PROPOSAL 5. Removing the Work Related Activity Component in the calculation of the entitlement for new Employment and Support Allowance applicants
This will change Schedule 1 paragraphs 17-18.

From April 2017, all new applicants for Employment and Support Allowance (ESA) who fall within the Work Related Activity Group will no longer receive the work related activity component in either their ESA or within the calculation of Housing Benefit. It is proposed that the Council Tax Support scheme is amended to reflect the changes.

PROPOSAL 6. Limiting the number of dependant children within the calculation for Council Tax Support to a maximum of two
This will change Schedule 1 paragraph 2.

Within the current scheme, claimants who have children are awarded a dependant's addition of £66.90 per child within the calculation of their needs (Applicable Amounts). There is no limit to the number of dependant's additions that can be awarded.

From April 2017 Central Government will be limiting dependant's additions in Universal Credit, Housing Benefit and Tax Credits to a maximum of two. This will only affect households who have a third or subsequent child on or after 1st April 2017.

It is proposed that the Council Tax Support scheme is amended to reflect the changes in Housing Benefit and Central Government Benefits. There will be exceptions where: there are multiple births after 1st April 2017 (and the household is not already at their maximum of two dependants within the calculation); adopted children, where households merge or where a child is born as a result of rape.

PROPOSAL 7. Removing entitlement to the Severe Disability Premium where another person is paid Universal Credit (Carers Element) to look after them
This will change Schedule 1 paragraph 10.

Currently when another person is paid Carers Allowance to look after a Council Tax Support claimant, then the Severe Disability Premium is not included when working out their needs (Applicable Amounts). The reason for this is that it avoids paying for the same care twice.

This proposed change will align the scheme with Housing Benefit by treating persons who receive the Universal Credit (Carers Element) in the same way as anyone receiving Carers Allowance.

PROPOSAL 8. Removing entitlement to the additional earnings disregard for Universal Credit customers in work

This will change Schedule 3 paragraph 16.

Currently an additional amount of earnings can be disregarded if a customer is working sufficient hours. This additional disregard doesn't apply in Universal Credit.

This proposal removes the additional disregard from Council Tax Support for working customers who receive Universal Credit. The standard earnings disregard will still apply.

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APPENDIX 2

District	Total No of Responses	Question 1 Fam Prem			Question 2 Limit Back			Question 3 MIF			Question 4 Absent >4wk		
		Yes	No	DontKnow	Yes	No	D/K	Yes	No	DontKnow	Yes	No	DontKnow
		%	%	%	%	%	%	%	%	%	%	%	%
East Devon	250	62.08	22.5	15.42	80.74	14.75	4.51	71.95	20.73	7.32	85.31	11.43	3.27
Exeter	79	69.74	21.05	9.21	75	22.37	2.63	78.95	13.16	7.89	89.47	10.53	0
Mid Devon	19	38.89	50	11.11	38.89	55.56	5.56	33.33	55.56	11.11	77.78	11.11	11.11
North Devon	82	63.41	29.27	7.32	83.95	11.11	4.94	71.95	24.39	3.66	91.46	7.32	1.22
South Hams	18	71.43	28.5	0	71.43	21.43	7.14	64.29	35.7	0	71.43	21.43	7.14
Teignbridge	156	60.53	24.34	15.13	66.45	25	8.55	66.67	22.88	10.46	84.11	11.26	4.64
Torrige	81	59.26	33.33	7.41	75.31	16.05	8.64	61.73	28.4	9.88	90.12	3.7	6.17
West Devon	22	47.83	26.09	26.09	68.18	27.27	4.55	69.57	26.09	4.35	73.91	17.39	8.7

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District	Question 5 Remove wrac			Question 6 2 dep limit			Question7 UC Carer Elem			Question 8 UC Addtl earn dis		
	Yes	No	DontKnow	Yes	No	DontKnow	Yes	No	DontKnow	Yes	No	DontKnow
	%	%	%	%	%	%	%	%	%	%	%	%
East Devon	68.57	15.51	15.92	81.22	13.47	5.31	68.57	15.1	16.33	70.66	8.26	21.07
Exeter	76.32	10.53	13.16	76.32	15.79	7.89	74.67	12	13.33	82.89	7.89	9.21
Mid Devon	50	16.67	33.33	50	44.44	5.56	55.56	33.33	11.11	41.18	47.06	11.76
North Devon	69.51	12.2	18.29	78.05	18.29	3.66	78.05	10.98	10.98	71.6	9.88	18.52
South Hams	57.14	14.26	28.57	69.23	15.38	15.38	64.29	28.57	7.14	57.14	7.14	35.71
Teignbridge	69.74	11.18	19.08	79.47	13.25	7.28	70.59	9.15	20.26	70.59	9.15	20.26
Torrige	58.02	14.81	27.16	79.01	19.75	1.23	65	12.5	22.5	58.75	16.25	25
West Devon	56.52	30.43	13.04	65.22	34.78	0	56.52	30.43	13.04	65.22	17.39	17.39



<p>This assessment looks at possible impacts of a change to our Council tax Reduction (CTR) Scheme.</p>	
Date of assessment	October 2016
Lead Officer	<i>Dawn Harris</i>
Version	1
Department	<i>Benefits</i>
Proposed change to service	<p>Changes to the Council Tax Reduction scheme .from April 2017.</p> <p>This is a local scheme that replaced Council Tax Benefit from April 2013 and provides help to low income households with their council tax liability</p> <p>We are proposing 8 changes to some elements of the CTR scheme these will affect current and future recipients.</p> <p>PROPOSAL 1. Removing the Family Premium for all new working age applicants</p> <p>The removal of Family Premium from 1st April 2017 for new claims will bring our Council Tax Reduction scheme in line with Housing Benefit.</p> <p>The Family Premium is part of how we assess the ‘needs’ (Applicable Amounts) of any claimant which is compared with their income. Family Premium is normally given when a claimant has at least one dependant child living with them.</p> <p>Removing the Family Premium will mean that when we assess a claimant’s needs we would not include the family premium (currently £17.45 per week). This change would not affect those on Universal Credit, Income Support, Income Related Employment and Support Allowance or Income Based Jobseeker’s Allowance.</p> <p>We estimate this will create an average potential loss of £30.00 per annum per claim.</p> <p>PROPOSAL 2. Reducing Backdating to 1 month</p> <p>Currently claims for Council Tax Reduction from working age claimants can be backdated for up to 6 months where an applicant shows they could not claim at an earlier time.</p> <p>Central Government has reduced the period for Housing Benefit claims to 1 month. It is proposed that the Council’s Council Tax</p>

Reduction Scheme be aligned with the changes for Housing Benefit.

In 2015/16 we have very few claims backdated beyond one month. Any people affected by the change will be encouraged to apply for Exceptional Hardship

PROPOSAL 3. Introducing a minimum income floor for the self employed after a 12 month start up period.

In order to align Council Tax Reduction with Universal Credit, the Council proposes to use a minimum level of income (minimum income floor) for those who are self-employed.

This would be in line with the National Living Wage (or National Minimum wage for under 25's) for 35 hours worked per week. The income would not apply for a designated start-up period of one year from the start of the business. Variations would apply to any person who is both employed and self-employed.

Where this policy has been adopted elsewhere in the country experience has found most self employed people have generally been able to cope with the increase in Council Tax .

Where some claimants are disabled or have caring responsibilities they often find running their own business is more suitable to taking up employment .It is important these limitations are recognised and they will be encouraged to request Exceptional Hardship

We currently have 120 claims who will be affected by this change The average annual loss per claim is estimated to be £600.00.

PROPOSAL 4. Reducing the period for which a person can be absent from Great Britain and still receive Council Tax Reduction to 4 weeks

Within the current scheme, applicants can be temporarily absent from their homes for 13 weeks (or 52 weeks in certain cases) without it affecting the Council Tax Reduction. This replicated the rule within Housing Benefit.

Housing Benefit has been changed so that if a person is absent from Great Britain for a period of more than 4 weeks, their benefit will cease.

It is proposed that the Council Tax Reduction scheme is amended to reflect the changes in Housing Benefit. There will be exceptions for certain occupations such as mariners and the armed forces.

We have no data on people who have been absent for more than 4

weeks therefore it is not possible to estimate the numbers affected by this change.

PROPOSAL 5. Removing the Work Related Activity Component in the calculation of the entitlement for new Employment and Support Allowance applicants

From April 2017, all new applicants for Employment and Support Allowance (ESA) who fall within the Work Related Activity Group will no longer receive the work related activity component in either their ESA or within the calculation of Housing Benefit. It is proposed that the Council Tax Reduction scheme is amended to reflect the changes.

Disabled people who currently receive the Work Related activity Component of £29.05 per week will not be affected

This change will not actually reduce the level of CTR for new claims after April 2017 and the number of people affected are likely to be very low.

PROPOSAL 6. Limiting the number of dependant children within the calculation for Council Tax Reduction to a maximum of two

Within the current scheme, claimants who have children are awarded a dependant's addition of £66.90 per child within the calculation of their needs (Applicable Amounts). There is no limit to the number of dependant's additions that can be awarded.

From April 2017 Central Government will be limiting dependant's additions in Universal Credit, Housing Benefit and Tax Credits to a maximum of two.

It is proposed that the Council Tax Reduction scheme is amended to reflect the changes in Housing Benefit and Central Government Benefits. There will be exceptions where: there are multiple births after 1st April 2017 (and the household is not already at their maximum of two dependants within the calculation); adopted children, where households merge or where a child is born as a result of rape.

We estimate this will create an average annual loss of £410.00 per annum per claim. Existing claims with 3 or more children will not be affected. This will only affect households who have a third or subsequent child on or after 1st April 2017.

PROPOSAL 7. Removing entitlement to the Severe Disability Premium where another person is paid Universal Credit (Carers Element) to look after them
This will change Schedule 1 paragraph 10.

	<p>Currently when another person is paid Carers Allowance to look after a Council Tax Reduction claimant, then the Severe Disability Premium is not included when working out their needs (Applicable Amounts). The reason for this is that it avoids paying for the same care twice.</p> <p>This proposed change will align the scheme with Housing Benefit by treating persons who receive the Universal Credit (Carers Element) in the same way as anyone receiving Carers Allowance.</p> <p>PROPOSAL 8. Removing entitlement to the additional earnings disregard for Universal Credit customers in work <i>This will change Schedule 3 paragraph 16.</i></p> <p>Currently an additional amount of earnings can be disregarded if a customer is working sufficient hours. This additional disregard doesn't apply in Universal Credit.</p> <p>This proposal removes the additional disregard from Council Tax Reduction for working customers who receive Universal Credit. The standard earnings disregard will still apply.</p>
<p>Background and Reason for the service change.</p>	<p>Council Tax is collected from households by District councils and the money collected contributes to providing public services provided by Devon County Council , Police , Fire and District Councils. Funding is also received in the form of Government grants.</p> <p>As the grants from Central Government have reduced significantly. and further reductions are expected Council Tax is becoming a main source of income for local authorities</p> <p>The cost of the Council Tax Reduction scheme has to be reviewed annually to ensure additional burdens are not put on the general fund and local taxpayers.</p> <p>Mid Devon District council has a statutory duty to administer a CTR scheme under the Local Government Finance Act 2012 . The CTR scheme for Pensioners is prescribed by the Government to protect the level of support they receive. The Working age scheme has to be designed, agreed and delivered by local authorities</p> <p>The proposed changes to Mid Devon's Working are being considered ;</p> <p>To ensure the CTR scheme continues to provide support to low income households whilst managing the decrease in funding to local authorities from the Government</p> <p>To simplify administration of the scheme and align the rules with other welfare benefits making it easier for applicants to understand.</p>

	<p>To limit the impact of any changes to the CTR scheme on the residents with low income who may be vulnerable .</p> <p>Local authorities are unable to reduce the scheme to affect those of Pension Age. This means that the burden of any proposed saving falls upon those of Working Age</p> <p>Other Options Considered</p> <ol style="list-style-type: none"> 1. <i>Reduce budgets to other council services . budget reductions to services are considered each year. It is becoming harder each year to find further efficiencies that meet public expectations and statutory obligations</i> 2. <i>Use council reserves (savings). Using reserves would only provide relief in the short term. Once reserves are used they are no longer available and there would be no funding for unforeseen events such as environmental emergencies.</i> 3. <i>Continuing with the current scheme . The administration costs may increase as the scheme does not align with Housing Benefit .</i> 4. <i>Increase Council Tax. In 2016/17 the council raised Council Tax as far as it could without the need for a local referendum and the County council increased tax by 4%. Increasing council tax has an impact on all local taxpayers</i> 				
<p>Information about users, research or other evidence</p>	<p><i>Number of CTR recipients @ 31 July 2016 4678</i></p> <p><i>Pensioner age 2440 (52%)</i> <i>Working age 2238 (48%)</i></p> <p>The percentage will change over time, as the national age threshold for becoming a pensioner is increasing.</p> <p>For Working age we mean those aged 18 to 62 and for Pension age we mean those who will be 63 on 1 April 2017</p> <p>CTR expenditure @ 31 July 2016 £4,047,177</p> <table style="margin-left: 100px;"> <tr> <td>Pension Age</td> <td>£2,424,089</td> </tr> <tr> <td>Working Age</td> <td>£1,623,088</td> </tr> </table> <p>Our current scheme and proposals for changes to the scheme are in line with other Devon authorities. Officers from all Devon Councils and the preceptors (DBOG) meet regularly to monitor and review the Council Tax Reduction scheme.</p> <p>Nationally some authorities have already introduced the changes we are proposing DBOG has used the information gained from them</p>	Pension Age	£2,424,089	Working Age	£1,623,088
Pension Age	£2,424,089				
Working Age	£1,623,088				

	<p>when submitting the proposals. any negative/positive has been taken into account in this assessment</p>
<p>Stakeholder involvement and consultation</p>	<p>We consulted with the preceptors Devon County Council the Police and Fire brigade. The County and District Heads of Finance recommended the proposals to Devon Local Government Steering Group who agreed the proposals and that a consultation process should take place.</p> <p>We have carried out consultation on the proposed changes to our scheme for eight weeks between 4 July and 4 September 2016.</p> <p>We met with external stakeholders on 19 July 2016 to brief them on the proposed changes and invited them to respond</p> <p>Articles were included in the June and July editions of Mid Devon Talk. All Members were notified via their Weekly Information Sheet</p> <p>A Consultation alert header was set up on the Homepage, Benefits, Council Tax and Consultation page of Mid Devon District Council's web site . This remained in place throughout the 8 week period linking to a summary of the proposals, a copy of our current scheme and the online consultation questionnaire.</p> <p>We have written to all recipients of CTR who will be affected by the changes</p> <p>A full copy of the Responses to the consultation are on our web site https://www.middevon.gov.uk/residents/benefits/council-tax-reduction/ctr-consultation-results-summary/</p>
<p>Impact of change</p>	<p>It has been difficult to give an exact figure to the savings . Modelling has been undertaken at a pan Devon level which has indicated the proposed changes to the CTR scheme may result in savings of circa £20k for Mid Devon. This figure would be subject to levels of collection .</p> <p>Any customer who is entitled to Council tax Support , or who loses their entitlement because of the changes and has a shortfall is entitled to make a claim for help via the Exceptional Hardship payment scheme.</p> <p>We work in partnership with Wiser£money who can assist customers to manage their household budgets and overall debt.</p> <p>Council Tax collection rate could be affected. The reduction in support given may result in additional administration and recovery</p>

	<p>action It is difficult to estimate the impact however as the collection rate of Council Tax is monitored regularly this will in due course provide an indicator of the impact of the changes and whether any additional resource will be required.</p> <p>Additional enquiries to the Benefit, Council Tax and Customer Service teams will be higher at the start of the financial year and may affect services delivery for a short period of time .</p> <p>Impact of other changes</p> <p>Many claimants will also be managing the impact of other welfare reforms e.g.</p> <ul style="list-style-type: none"> <input type="checkbox"/> Social sector size criteria reductions to Housing Benefit <input type="checkbox"/> Replacement of Disability Living Allowance with Personal Independence Payments <input type="checkbox"/> National benefit cap <input type="checkbox"/> Increased non-dependent deduction rates <input type="checkbox"/> Reduced uprating percentage for benefits and tax credits. <input type="checkbox"/> National roll out of Universal Credit <input type="checkbox"/> Freeze on benefit rates for the working Age Group (excluding disability benefits)
	Impact on Protected Groups
Age	<p>The proposed changes will not affect those of Pension age who will continue to have their support assessed under national rules set by the Government to replicate the former Council Tax Benefit scheme .</p> <p>Working age households whose income is based on self employment will cease to receive support after a 12 month set up period.</p> <p>Younger residents between 18 and 24 are slightly disadvantaged under the current CTR scheme and other welfare benefits , which gives lower applicable amounts in the calculation of council tax reduction. this</p> <p>Applications for Exceptional Hardship payment will be considered in line with our responsibilities under section 13a (1)(c) of the Local Government Finance Act 1992</p>
Disability	<p>The changes will not affect the Disabled band reduction scheme which is applied to the council tax liability before the calculation of CTR entitlement.</p> <p>Applying the Minimum Income Floor to Self employed applicants who receive disability benefits (Employment and Support Allowance Disability Living Allowance or Personal Independence Payment)will</p>

	<p>lose their entitlement to CTR after a 12 month start up period.</p> <p>Applications for Exceptional Hardship payment will be considered in line with our responsibilities under section 13a (1)(c) of the Local Government Finance Act 1992</p> <p>The changes to family premium and the 2 child allowance restriction will affect new applicants after 1 April 2017.</p> <p>Additional premiums are included in the calculation of entitlement for those who in receipt of disability benefits . Disability Living Allowance, Personal Independence payments and war disablement Pension are disregarded in full when the calculation income.</p> <p>The earnings disregard for people with a disability is £20 rather than the standard £5 for a single person and £10 for a couple . This ensure disabled people who work are able to keep more of their earnings .</p> <p>For applicants who are Blind or receive the care component of Disability Living Allowance or Personal Independence payment ,no non dependant deduction is taken from their entitlement for CTR. This supports households where assistance is provided to the person with disabilities.</p> <p>Applications for Exceptional Hardship payment will be considered in line with our responsibilities under section 13a (1)(c) of the Local Government Finance Act 1992</p>
Sex (gender)	<p>The means tested scheme is based on income and household circumstances that are not influenced by gender. The CTR scheme does not impact on anyone differently on grounds of gender.</p>
Marital status, family circumstances or caring responsibilities	<p>There is a Carer disregard applied to council tax liability for carers living in a property with the person they are caring for. A 25% reduction is applied before any entitlement to council tax reduction The proposed changes will not affect this disregard.</p> <p>Single parents, predominately women who are statistically usually in low paid or part time employment may lose entitlement to CTR if they are self employed.</p>
Race / Ethnicity	<p>The means tested scheme is based on income and household circumstances that are not influenced by race and ethnicity. The CTR scheme does not impact on anyone differently on grounds of race or ethnicity</p>
Religion / Belief	<p>The means tested scheme is based on income and household circumstances that are not influenced by religion or belief . The CTR scheme does not impact on anyone differently on grounds of religion or belief</p>

Sexual Orientation	The means tested scheme is based on income and household circumstances that are not influenced by sexual orientation . The CTR scheme does not impact on anyone differently on grounds of sexual orientation	
Other		
Submissions from interested parties received.	There have been no submissions from any support organisations a full summary of the responses are available on our web site https://www.middevon.gov.uk/residents/benefits/council-tax-reduction/ctr-consultation-results-summary/	
Issues and Recommendations	Issue	Recommendations
	1.Claimants with children will have less income for their living expenses and for caring for their children if they have to pay more towards their Council Tax; a	To mitigate this issue the Council provides a Section 13A discretionary hardship scheme.
	2. Disabled claimants who may be unable to work due to their disability may be affected by an increase in the amount of Council Tax they have to pay.	To mitigate this issue the Council provides a Section 13A discretionary hardship scheme
	3. Increase in Council Tax to pay and reduction in collection rate	The collection of Council Tax to be monitored throughout the financial year
Overall Recommendation	The CTR scheme and the proposed changes do not unlawfully discriminate against people with protected characteristics, it continues to provide additional support for those with children, caring responsibilities or disabilities who can often have fewer opportunities and has been developed using a fair and evidence based approach.	
Approved by	Andrew Jarrett Director of Finance Assets and Resources	
Approval date	November 2016	

Review	<p><i>The CTR scheme and any impacts is reviewed monthly by the Devon Benefit Officer Group and this will continue throughout the next financial year</i></p> <p><i>The increase in Council Tax payable, recovery rates and number of people applying for Exceptional Hardship will be monitored monthly for any impacts</i></p>
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Mid Devon District Council



**Council Tax Reduction Scheme
Exceptional Hardship Policy**

November 2016

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1.0 Background

1.1 An Exceptional Hardship Policy has been created by the Council to assist persons who have applied for Council Tax Reduction and who are facing 'exceptional hardship'. This is to provide further assistance where an applicant is in receipt of Council Tax Reduction but the level of support being paid by the Council does not meet their full Council Tax liability.

1.2 Exceptional Hardship will be available to any applicant where their daily award of Council Tax Reduction does not meet 100% of their Council Tax liability (less any appropriate discounts and non-dependant deductions).

1.3 The main features of the policy are as follows:

- The operation of the policy will be at the total discretion of the Council;
- The policy will be operated by the Revenues and Benefits section on behalf of the Council;
- Exceptional Hardship falls within S13A 1 A of the Local Government Finance Act 1992 and forms part of the Council Tax Reduction scheme;
- Exceptional Hardship payments will only be available from 1st April 2017 and **will not be available for any other debt other than outstanding Council Tax**;
- A pre-requisite to receive a payment is that an application for Council Tax Reduction has been made;
- Where an Exceptional Hardship Payment is requested for a previous period, Exceptional Hardship must have been proven to have existed throughout the whole of the period requested;
- Exceptional Hardship Payments are designed as a short-term help to the applicant only and it is expected that payments will be made for a short term only; and
- All applicants will be expected to engage with the Council and undertake the full application process. Failure to do so will inevitably mean that no payment will be made.

2.0 Exceptional Hardship and Equalities

2.1 The creation of an Exceptional Hardship Policy facility meets the Council's obligations under the Equality Act 2010.

2.2 The Council recognises the importance of protecting our most vulnerable customers and also the impact the changes imposed by the removal of Council Tax Benefit by Central Government. This policy has been created to ensure that a level of protection and support is available to those applicants most in need. It should be noted that an Exceptional Hardship Policy is intended to help in cases of **extreme** financial hardship and not support a lifestyle or lifestyle choice. Whilst the definition 'Exceptional Hardship' is not exactly defined by this policy, it is accepted that changes to the level of support generally will cause financial hardship and any payment made will be at the total discretion of

the Council. Exceptional Hardship should be considered as 'hardship beyond that which would normally be suffered'

3.0 Purpose of this policy

3.1 The purpose of this policy is to specify how the Council will operate the scheme, to detail the application process and indicate a number of factors, which will be considered when deciding if an Exceptional Hardship payment can be made.

3.2 Each case will be treated on its own merits and all applicants will be treated fairly and equally in both accessibility and also decisions made with applications.

4.0 The Exceptional Hardship Process

4.1 As part of the process of applying for additional support, all applicants must be willing to undertake **all** of the following:

- a. Make a separate application for assistance;
- b. Provide full details of their income and expenditure;
- c. Where a person is self-employed or a director of a private limited company, details of their business including business accounts must be supplied;
- d. Accept assistance from either the Council or third parties such as the CAB or similar organisations to enable them to manage their finances more effectively including the termination of non essential expenditure;
- e. Identify potential changes in payment methods and arrangements to assist the applicant;
- f. Assist the Council to minimise liability by ensuring that all discounts, exemptions and reductions are properly granted; and
- g. Maximise their income through the application for other welfare benefits, cancellation of non-essential contracts and outgoings and identifying the most economical tariffs for the supply of utilities and services generally.

4.2 Through the operation of this policy the Council will look to

- Allow a short period of time for someone to adjust to unforeseen short-term circumstances and to enable them to "bridge the gap" during this time, whilst the applicant seeks alternative solutions;
- Enable long term support to households in managing their finances;
- Help applicants through personal crises and difficult events that affect their finances;
- Prevent exceptional hardship;
- Help those applicants who are trying to help themselves financially; and
- Encourage and support people to obtain and sustain employment.

4.3 It cannot be awarded for the following circumstances:

- Where the full Council Tax liability is being met by Council Tax Reduction;
- For any other reason, other than to reduce Council Tax liability;
- Where the Council considers that there are unnecessary expenses/debts etc and that the applicant has not taken reasonable steps to reduce these;
- To pay for any arrears of Council Tax Reduction caused through the failure of the applicant to notify changes in circumstances in a timely manner or where the applicant has failed to act correctly or honestly; or
- To cover previous years Council Tax arrears

5.0 Awarding an Exceptional Hardship Payment

5.1 The Council will decide whether or not to make an Exceptional Hardship award, and how much any award might be.

5.2 When making this decision the Council will consider:

- The shortfall between Council Tax Reduction and Council Tax liability;
- Whether the applicant has engaged with the Exceptional Hardship process;
- The personal circumstances, age and medical circumstances (including ill health and disabilities) of the applicant, their partner any dependants and any other occupants of the applicant's home;
- The difficulty experienced by the applicant, which prohibits them from being able to meet their Council Tax liability, and the length of time this difficulty will exist;
- The income and expenditure of the applicant, their partner and any dependants or other occupants of the applicant's home;
- How reasonable expenditure exceeds income;
- In the case of a self-employed applicant, whether they are in gainful employment;
- All income received by the applicant, their partner and any member of their household irrespective of whether the income may fall to be disregarded under the Council Tax Reduction scheme;
- Any savings or capital that might be held by the applicant, their partner and any member of their household irrespective of whether the capital may fall to be disregarded under the Council Tax Reduction scheme;
- Other debts outstanding for the applicant and their partner;
- The exceptional nature of the applicant and/or their family's circumstances that impact on finances; and
- The length of time they have lived in the property;

5.3 The above list is not exhaustive and other relevant factors and special circumstances will be considered.

5.4 An award of Exceptional Hardship does not guarantee that a further award will be made at a later date, even if the applicant's circumstances have not changed.

5.5 An Exceptional Hardship payment may be less than the difference between the Council Tax liability and the amount of Council Tax Reduction paid. The level of payment may be nil if the authority feels that, in its opinion, the applicant is not suffering 'exceptional hardship' or where the applicant has failed to comply with the Exceptional Hardship process.

6.0 Publicity

6.1 The Council will make a copy of this policy available for inspection and will be published on the Council's website.

7.0 Claiming an Exceptional Hardship payment

7.1 An applicant must make a claim for an Exceptional Hardship award by submitting an application to the Council. The application form can be obtained via the telephone, in person at one of the Council offices and/or via the Council's website.

7.2 Applicants can get assistance with the completion of the form from the Revenues and Benefits Service or Customer Services at the Council.

7.3 The application form must be fully completed and supporting information or evidence provided, as reasonably requested by the Council. The form must be returned within one calendar month of its issue.

7.4 In most cases the person who claims the Exceptional Hardship award will be the person entitled to Council Tax Reduction. However, a claim can be accepted from someone acting on another's behalf, such as an appointee, if it is considered reasonable.

8.0 Changes in circumstances

8.1 The Council may revise an award of Exceptional Hardship where the applicant's circumstances have changed which either increases or reduces their Council Tax Reduction entitlement.

9.0 Duties of the applicant and the applicant's household

9.1 A person claiming an Exceptional Hardship payment is required to:

- Provide the Council with such information as it may require to make a decision;
- Tell the Council of any changes in circumstances that may be relevant to their ongoing claim; and
- Provide the Council with such other information as it may require in connection with their claim.

10.0 The award and duration of an Exceptional Hardship Payment

10.1 Both the amount and the duration of the award are determined at the discretion of the Council, and will be done so on the basis of the evidence supplied and the circumstances of the claim.

10.2 The start date of such a payment and the duration of any payment will be determined by the Council. In any event, the maximum length of the award will not exceed the end of the financial year in which the award is given.

11.0 Payment

11.0 Any Exceptional Hardship payment will be made direct onto the customer's Council Tax account, thereby reducing the amount of Council Tax payable.

12.0 Overpaid Exceptional Hardship Payments

12.1 Overpaid Exceptional Hardship payments will generally be recovered directly from the applicant's council tax account, thus increasing the amount of council tax due and payable.

13.0 Notification of an award

13.1 The Council will notify the outcome of each application for Exceptional Hardship payment.

14.0 Appeals

14.1 Exceptional Hardship payments are granted under S13A 1A of the Local Government Finance Act 1992 as part of the Council Tax Reduction scheme, as such the normal Council Tax appeal process applies and an appeal can be made at any time. The initial appeal should be made to the Council who will review any decision. Ultimately any decision can be considered by an independent Valuation Tribunal.

15.0 Fraud

15.1 The Council is committed to protect public funds and ensure funds are awarded to the people who are rightfully eligible to them.

15.2 An applicant who tries to fraudulently claim an Exceptional Hardship payment by falsely declaring their circumstances, providing a false statement or evidence in support of their application, may have committed an offence under The Fraud Act 2006.

15.3 Where the Council suspects that such a fraud may have been committed, this matter will be investigated as appropriate and may lead to criminal proceedings being instigated.

16.0 Complaints

16.1 The Council's 'Compliments and Complaints Procedure' (available on the Council's website) will be applied in the event of any complaint received about this policy.

17.0 Policy Review

17.1 This policy will be reviewed on a regular basis and updated as appropriate to ensure it remains fit for purpose. However, a review may take place sooner should there be any significant changes in legislation.

**COMMUNITY WELLBEING PDG
29 NOVEMBER 2016**

AGENDA ITEM:

**Regulation of Investigatory Powers Act 2000 (RIPA)
RIPA Policy and procedures**

Cabinet Member **Cllr Mrs M Squires**
Responsible Officer **Director of Corporate Affairs and Business**
Transformation

Reason for Report: To review and make recommendation to Cabinet that they approve the Council's updated RIPA policy

RECOMMENDATIONS:

1. That the Cabinet approve the updated RIPA policy as attached as Appendix 1;
2. To note that the Council has not used its powers under RIPA since March 2014.

Relationship to Corporate Plan: To approve the RIPA policy on an annual basis is a requirement of being a well-managed Council.

Financial Implications: None

Legal Implications: As set out in the policy

Risk Assessment: None

1.0 Introduction

- 1.1 The Council's RIPA policy was considered by a Surveillance Inspector of the Office of Surveillance Commissioners during an inspection in April 2015. The comments of the Surveillance Inspector were that the policy is 'a succinct and thorough guide which will be of assistance to applicants and authorising officers alike'.
- 1.2 The Office of Surveillance Commissioners has stated that it is good practice to review and update the RIPA Policy on an annual basis. Therefore the policy has been reviewed in light of the Office of Surveillance Commissioner's report and in accordance with good practice.

Contact for more Information: Jill May, Director of Corporate Affairs and Business Transformation (T: (01884) 255255; jmay@middevon.gov.uk)

Circulation of the Report: Cllr Mrs M Squires and L&MT

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MID DEVON DISTRICT COUNCIL

RIPA POLICY

USE OF DIRECTED SURVEILLANCE AND COVERT HUMAN INTELLIGENCE SOURCES REGULATION OF INVESTIGATORY POWERS ACT 2000

1.0 INTRODUCTION

- 1.1 The Regulation of Investigatory Powers Act 2000 (RIPA) regulates the use of covert investigative techniques by public authorities. It provides for the application for and granting of authorisations for those techniques covered by the Act.
- 1.2 Article 8 of the European Convention on Human Rights provides a right to private and family life. This is not an absolute right; it may be infringed in certain circumstances. The RIPA is designed to provide a statutory regulatory framework, which will meet the requirements of the European Convention on Human Rights.

2.0 PURPOSE

The purpose of this policy is to ensure that the Council complies with the requirement of RIPA and that appropriate authorisations are given for covert surveillance, the use of covert human intelligence sources and the acquisition and disclosure of communications data.

3.0 ASSOCIATED DOCUMENTS

3.1 Background documents

Report to the Council's Policy and Development Committee –15.02.01

3.2 Statutes and Statutory Instruments

- (a) Regulation of Investigatory Powers Act 2000
- (b) Human Rights Act 1998
- (c) Police and Criminal Evidence Act 1984
- (d) Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2010
- (e) Protection of Freedoms Act 2012

3.3 Guidance

- (a) Explanatory Notes to RIPA
- (b) Code of Practice for covert surveillance and property interference
- (c) Code of Practice for the use of covert human intelligence sources
- (d) Code of Practice for the acquisition and disclosure of communications data
- (e) Home Office Web Site <https://www.gov.uk/guidance/surveillance-and-counter-terrorism#local-authority-use-of-ripa>

All Codes of Practice are available on the Home Office Web Site <https://www.gov.uk/government/collections/ripa-codes>

4.0 SCOPE

The Act provides a regime of primary legislation and Codes of Practice, which divide covert investigation techniques into categories distinguished to an extent by the degree of intrusion involved. This procedure applies to all investigation and surveillance that may be subject of an authorisation under RIPA.

4.1 The Act covers the following investigatory powers:

- (1) Part I (Chapter I) - interception of communications
- (2) Part I (Chapter II) - the acquisition of communications related data e.g. telephone billing data
- (3) Part II deals with:
 - intrusive surveillance on residential premises or in private vehicles
 - directed surveillance i.e. covert surveillance in the course of a specific operation
 - the use of covert human intelligence sources e.g. agents, informants, undercover officers
- (4) Part III - deals with the power to seize electronic keys giving access to encrypted computer material
- (5) Part IV - provides for scrutiny, complaint procedures and codes of practice

4.2 This policy document relates to the **use of directed surveillance** and **covert human intelligence sources**. It does not cover the acquisition and disclosure of communications data as it is not anticipated that this power will be used by the Council. If authorisation is however sought for this type of activity, guidance must be sought from Legal Services before any operation or investigation is undertaken. It does not cover intrusive surveillance because local authorities are not allowed to do this. Intrusive surveillance is the covert (i.e. secret) surveillance of anything taking place in residential premises or a private car and involves the presence of an individual on the premises or in the vehicle or is carried out by means of a surveillance device.

4.3 RIPA sets out the purposes for which each of these powers may be used, the Agencies and authorities that can use them and who should authorise the use. Authorisation under RIPA gives lawful authority for the use of these methods of obtaining information provided there is compliance with the statutory requirements and procedures. Obtaining an authorisation will ensure that the action is carried out in accordance with law and subject to stringent safeguards against abuse. It will also make the action less vulnerable to challenge under the Human Rights Act 1998.

- 4.4 For district councils, the Act does not allow directed surveillance or CHIS at all except for the purpose of preventing or detecting crime or preventing disorder. For example, this means that you cannot carry out these covert activities prior to the service of a statutory notice, unless you believe an offence may have been committed, may be about to be committed, or there could be public disorder. Your only option in other cases will be to carry out overt – open, non-secretive – surveillance.
- 4.5 Services likely to conduct investigations covered by this Act are Planning, Environmental Health, Housing and Audit. However, any officer of the Council if he or she conducts an investigation using methods or techniques covered by this Act is required to seek the necessary authorisation, provided always that the purpose of the investigation is the one which the Act says can justify covered surveillance – see 4.4 above.

5.0 ACTIVITY REQUIRING AUTHORISATION

5.1 The following types of activity will require authorisation:

- directed surveillance
- the conduct and use of covert human intelligence sources
- obtaining communications data

5.2 Directed surveillance is, in essence, any activity undertaken covertly for the purpose of a specific investigation in such a way that is likely to result in obtaining information about a person's private life.

5.3 A covert human intelligence sources (CHIS) is effectively an inside informant or undercover officer, i.e. someone who develops or maintains their relationship with the surveillance target, having the covert purpose of obtaining or accessing information for the investigator. Council officers may act as CHIS when undertaking social media research. For a more detailed definition see section 26 of the Act.

6.0 APPLYING FOR AUTHORISATIONS

6.1 The ~~Head of ICT, , the Head of Finance and the Head of Communities and Governance~~Directors are authorising officers for the Council. In the absence of the nominated authorising officer, applications for authorisation should be submitted to Chief Executive who also has the delegated authority to issue authorisations in relation to any service of the Council. Authorising officers may authorise for any service within the Council.

6.2 Any officer intending to use directed surveillance or a CHIS shall apply for authorisation from the authorising officer or in their absence from the Chief Executive as Head of Paid Service or in his absence a ~~Head of Service~~Director who is an authorising officer by completing the appropriate application form as set out at **Appendix DS/1 or CHIS/1**.

~~6.3~~

6.4 Special care needs to be taken with **confidential personal information**. This is information held in confidence relating to the physical or mental health or spiritual counselling concerning an individual (whether living or dead) who can be identified from it. Such information, which can include both oral and written communications, is held in confidence if it is held subject to an express or implied undertaking to hold it in confidence or it is subject to a restriction on disclosure or an obligation of

confidentiality contained in existing legislation. Examples might include consultations between a health professional and a patient, or information from a patient's medical records. This also includes legally privileged material, journalistic materials and information given to a Member of Parliament. Owing to the very sensitive nature of this type of information authorisations potentially involving confidential personal information must always be made by the **Chief Executive** or in his absence ~~the Head of Communities and Governance~~ a Director.

- 6.5 When completing the application always include a full account of the steps to be taken in the investigation which require authorisation.

7.0 GRANTING OF AUTHORISATIONS FOR DIRECTED SURVEILLANCE

- 7.1 Section 28 provides that a person shall not grant authorisation for *directed surveillance* unless he believes that the authorisation is necessary on one of the statutory grounds and the authorised surveillance is proportionate to what is sought to be achieved by it. The applicant and the authorising officer must both consider whether it is necessary to use covert surveillance in the investigation. From 5 January 2004, only one ground applied to district councils and it is therefore the only one which can be used to justify an authorisation.

That ground is

- for the purpose of preventing or detecting crime or of preventing disorder

- 7.2 The authorising officer in determining whether the surveillance is proportionate will give particular consideration to any collateral intrusion on or interference with the privacy of persons other than the subject(s) of the surveillance. The Home Office Code of Practice has the following to say on the issue of proportionality:

“3.4 if the activities are deemed necessary on...the statutory grounds, the person granting the authorisation... must also believe that they are proportionate to what is sought to be achieved by carrying them out. This involves balancing the seriousness of the intrusion into the privacy of the subject of the operation (or any other person who may be affected) against the need for the activity in investigative and operational terms.

3.5 The authorisation will not be proportionate if it is excessive in the overall circumstances of the case. Each action authorised should bring an expected benefit to the investigation or operation and should not be disproportionate or arbitrary. The fact that a suspected offence may be serious will not alone render intrusive actions proportionate. Similarly, an offence may be so minor that any deployment of covert techniques would be disproportionate. No activity should be considered proportionate if the information which is sought could reasonably be obtained by other less intrusive means..” Home Office Code of Practice on Covert Surveillance and Property Interference.

A useful prompt is to ask yourself “ Is there any other way of obtaining the evidence?”. There is a need to consider the following:

- (i) Whether the use of covert surveillance is proportionate to the mischief being investigated, and
- (ii) Whether it is proportionate to the likely intrusion on the target and others, and
- (iii) Whether all other reasonable means of acquiring the evidence have been considered.
- (iv) What other methods had been considered and why they were not implemented.

7.3 Authorisations must be given in writing. It is possible that authorising officers may face cross-examination in court about the authorisation some time after it is granted and memories fade. It is therefore important that a full written record of what you are being asked to authorise appears on the application form. If in doubt ask for more detail.

7.4 Authorising officers should not be responsible for authorising their own activities.

7.5 All RIPA authorisations must be approved by a Magistrate before an authorisation becomes effective, directed surveillance is undertaken, communications data is obtained or an application is made for a Covert Human Intelligent Source. Directed surveillance can only be authorised where the following conditions apply;

(1) The first condition is that the authorisation under [section 28](#) is for the purpose of preventing or detecting conduct which—

- (a) constitutes one or more criminal offences, or
- (b) is, or corresponds to, any conduct which, if it all took place in England and Wales, would constitute one or more criminal offences.

(2) The second condition is that the criminal offence or one of the criminal offences referred to in the first condition is or would be—

- (a) an offence which is punishable, whether on summary conviction or on indictment, by a maximum term of at least 6 months of imprisonment.

7.6 Duration of Authorisations and Reviews

An authorisation in writing ceases to have effect at the end of a period of 3 months beginning with the day on which it took effect. So an authorisation starting 1st January would come to an end on 31st March. Regular reviews of authorisations should be undertaken. The results of the review should be recorded on **Appendix DS/2** and a copy filed on the central record of authorisations. If the surveillance provides access to confidential information or involves collateral intrusion more frequent reviews will be required. The Authorising Officer should determine how often a review should take place.

7.7 Renewals

7.7.1 While an authorisation is still effective the authorising officer can renew it if he considers this necessary for the purpose for which the authorisation was originally given. The authorisation will be renewed in writing for a further period, beginning with the day when the authorisation would have expired but for the renewal and can be for a period up to 3 months.

7.7.2 Applications requesting renewal of an authorisation are to be made on the appropriate form as set out at **Appendix DS/3** and submitted to the authorising officer. The renewal must be granted before the original authorisation ceases to have effect.

7.7.3 Applications for renewal will record:

- whether this is the first renewal, if not, every occasion on which the authorisation has previously been renewed
- the significant changes to the information in the initial authorisation
- the reasons why it is necessary to continue with the surveillance
- the content and value to the investigation or operation of the information so far obtained by the surveillance
- The results of regular reviews of the investigation or operation.

7.8 Cancellations

The person who granted or last renewed the authorisation **MUST** cancel it if he is satisfied that the directed surveillance no longer meets the criteria for authorisation. Requests for cancellation will be made on the appropriate form as set out at **Appendix DS/4** and submitted to the authorising officer for authorisation of the cancellation. All directed surveillance cancellations must include directions for the management and storage of any surveillance product.

8.0 GRANTING OF AUTHORISATION FOR THE CONDUCT AND USE OF COVERT HUMAN INTELLIGENCE SOURCES (CHIS)

8.1 The same requirements of necessity and proportionality exist for the granting of these authorisations as are set down for directed surveillance.

8.2 Additionally the authorising officer shall not grant an authorisation unless he /she believes that arrangements exist for the source's case which satisfy the following requirements:

- there will at all times be an officer with day to day responsibility for dealing with the source and the source's security and welfare
- there will at all times be an officer who will have general oversight of the use made of the source
- there will at all times be an officer with responsibility for maintaining a record of the information supplied by the source
- records which disclose the identity of the source will not be available to persons except to the extent that there is a need for access to them to be made available

8.3 Similarly before authorising use or conduct of the source, the authorising officer must be satisfied that the conduct/use is proportionate to what the use or conduct of the source seeks to achieve, taking into account the likely degree of intrusion into privacy of those potentially effected for the privacy of persons other than those who are directly the subjects of the operation or investigation. Measures should be taken, wherever practicable, to avoid unnecessary intrusion into the lives of those not directly connected with the operation.

- 8.4 Particular care is required where people would expect a high degree of privacy or where, as a consequence of the authorisation 'confidential material' is likely to be obtained.
- 8.5 Consideration is also required to be given to any adverse impact on community confidence that may result from the use or conduct of a source or information obtained from that source.
- 8.6 Additionally, the authorising officer should make an assessment of any risk to a source in carrying out the conduct in the proposed authorisation.
- 8.7 Authorisation for the use of a CHIS must be given in writing. Only the Chief Executive or in his absence a ~~Head of Service Director~~ who is an authorising officer may authorise the use of a juvenile or vulnerable CHIS.
- 8.8 Ideally the authorising officers should not be responsible for authorising their own activities e.g. those in which they themselves are to act as a source or in tasking a source. However it is recognised that this will not always be possible especially in the case of small departments. Authorisations must be approved by a Magistrate, see paragraph 7.5. The ~~Legal Services Manager~~Solicitor employed by the Council will arrange the appointment before the Magistrate(s) and explain the procedure to the Authorising Officer. The ~~Legal Services Manager~~Solicitor employed by the Council and the Authorising Officer will be required to attend before the Magistrate(s) to seek the Magistrate's approval to the authorisation.
- 8.9 An application for authorisation for the use or conduct of a source will be made on the appropriate form as set out at **Appendix CHIS/1** and must record:
- Details of the purpose for which the source will be tasked or deployed.
 - The reasons why the authorisation is necessary in the particular case and on the grounds on which authorisation is sought (e.g. for the purpose of preventing or detecting crime or disorder).
 - Where a specific investigation or operation is involved details of that investigation or operation.
 - Details of what the source would be tasked to do.
 - Details of potential collateral intrusion and why the intrusion is justified.
 - Details of any confidential material that might be obtained as a consequence of the authorisation.
 - The reasons why the authorisation is considered proportionate to what it seeks to achieve.
 - The level of authorisation required.
 - A subsequent record of whether authorisation was given or refused by whom and the time and date.

8.10 Duration of Authorisations

A written authorisation, unless renewed, will cease to have effect at the end of a period of twelve months beginning with the day on which it took effect except in the case of a juvenile CHIS which has a duration of one month. Oral authorisations will, unless renewed, last 72 hours.

8.11 Renewals

As with authorisations for directed surveillance authorisations for the conduct and use of covert human intelligence sources can be renewed, the same criteria applying. However before an Authorising Officer renews an authorisation, he must be satisfied that a review has been carried out of the use of a CHIS and that the results of the review have been considered. Applications for renewal must be made on the appropriate form as set out at **Appendix CHIS/3** and submitted to the authorising officer. However an application for renewal should not be made until shortly before the authorisation period is coming to an end.

8.12 An authorisation may be renewed more than once – provided it continues to meet the criteria for authorisation.

8.13 Reviews

Regular reviews of authorisations should be undertaken. The results of the review should be recorded on **Appendix CHIS/2** and a copy filed on the central record of authorisations. If the surveillance provides access to confidential information or involves collateral intrusion frequent reviews will be required. The authorising officer should determine how often a review should take place.

8.14 Before an authorising officer renews an authorisation he must be satisfied that a review has been carried out of:

- The use made of the source during the period authorised
- The tasks given to the source
- The information obtained from the use or conduct of the source

8.15 If the authorising officer is satisfied that the criteria necessary for the initial authorisation continue to be met, he may renew it in writing as required.

8.16 Cancellations

The officer who granted or renewed the authorisation **MUST** cancel it if he/she is satisfied that

- the use or conduct of the source no longer satisfies the criteria for authorisation, or
- that the arrangements for the source's case no longer exist

8.17 Requests for cancellation will be made on the appropriate form as set out at **Appendix CHIS/4** and submitted to the authorising officer for authorisation of the

cancellation. All CHIS cancellations must include directions for the management and storage of any surveillance product.

8.18 **Management Responsibility**

The day to day contact between the Council and the source is to be conducted by the handler, who will usually be an officer below the rank of the authorising officer. No vulnerable person or young person under the age of 18 should be used as a source.

8.19 **Security and Welfare**

Account must be taken of the security and welfare of the source. The authorising officer prior to granting authorisation should ensure that an assessment is carried out to determine the risk to the source of any tasking and the likely consequences should the target know the role of the source.

8.20 **Confidential Material**

Where the likely consequence of the directed surveillance or conduct of a source would be for any person to acquire knowledge of confidential material the deployment of a source should be subject to special authorisation. In these cases the proposed course of conduct must be referred to the Head of Paid Services or (in his absence) a Head of Service Director for a decision as to whether authorisation may be granted.

9.0 **MAINTENANCE OF RECORDS**

9.1 Each Service shall keep in a dedicated place

- a record of all authorisations sought
- a record of authorisations granted and refused
- applications for the granting, renewal and cancellation of authorisations

9.2 The records will be confidential and will be retained for a period of 3 years from the ending of the authorisation.

9.3 Each authorising officer shall send original copies of all applications/authorisations, reviews, renewals and cancellations to the RIPA Co-ordinating Officer when drafted who will maintain a central record of all authorisations. The report will include details of the level of compliance with the requirements for authorisation.

9.4 Authorising officers will ensure compliance with the appropriate data protection requirements and any relevant codes of practice produced by individual authorities in the handling and storage of material.

9.5 Where material is obtained by surveillance which is wholly unrelated to a criminal or other investigation or to the person subject of the surveillance and no reason to believe it will be relevant to future civil or criminal proceedings it should be destroyed immediately. The decision to retain or destroy material will be taken by the relevant authorising officer.

10.0 AWARENESS OF THE CONTENTS OF THE ACT AND TRAINING

It shall be the responsibility of each Service Manager or other Authorised Officer to ensure that all staff involved or likely to be involved in investigations receive a copy of the training document, and are aware of the requirements and implications of the Act. It shall be the responsibility of the ~~Head of Communities and Governance~~Monitoring Officer to ensure that all relevant officers have received appropriate training and are aware of the requirements and implications of the Act.

11.0 CODES OF PRACTICE

A copy of each Code of Practice shall be kept in the reception area and be available to members of the public during usual working hours.

12.0 Senior Responsible Officer and RIPA Co-ordinating Officer

The ~~Head of Communities and Governance~~Monitoring Officer is the Senior Responsible Officer for the Council whose role is:

- (i) to be responsible for RIPA training throughout the Council;
- (ii) to ensure that all authorising officers are of an appropriate standard; and
- (iii) to be responsible for heightening RIPA awareness throughout the Council.

~~A The Legal Services Manager~~Solicitor employed by the Council is the RIPA Co-ordinating Officer for the Council whose role is:

- (i) to collate all original applications/authorisations, reviews, renewals and cancellations;
- (ii) to keep the Central Record of Authorisations; and

~~(iv)~~
~~(v)~~

- (iii) to notify the Leader of the Council of the receipt of authorisations from authorising officers.

13.0 MEMBER INVOLVEMENT

Members of the Community Wellbeing PDG should review this policy annually to ensure that it remains fit for purpose. Cabinet will consider reports from the OSC. The Cabinet should also consider reports on the use of the powers under the Act on a regular basis which shall be at least every year to ensure that it is being used consistently with this policy. Members of the Council will not however be involved in making decisions on specific authorisations.

Inventory of Surveillance Equipment held by MDDC

1. Digital camcorder Canon serial number 0277B007AA

2. Digital camera Fujifilm serial number 5AL 24892.
3. Digital camera Fujifilm serial number 5AL 24898.
4. Prowler serial number G009809.
5. LTL Acorn 5210 serial number 106095816.

Standard Operating Procedure for use of Surveillance Equipment

1. The Council operates the surveillance equipment (Equipment) as set out in the Inventory.
2. The Equipment should be stored, when not in use, in a locked cabinet under the control of the Monitoring Officer ~~Head of Communities and Governance~~.
3. Any Officer of the Council considering using the Equipment for covert surveillance in a public place must make a written request to the Monitoring Officer ~~Head of Communities and Governance~~ or her delegate who will consider and decide in her absolute discretion whether the proposed use of the Equipment is appropriate bearing in mind the provisions of RIPA and the associated codes of practice.
4. Any Officer who uses the Equipment to record digital images may only view such images once captured and shall not download them on to a computer or other electronic storage facility.

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