

WRITTEN QUESTIONS – FULL COUNCIL – 25 FEBRUARY 2015

1. CABINET – 5 FEBRUARY 2015

Min No. 108

Question submitted by Councillor Mrs J Roach and response of the Section 151 Officer (Head of Finance).

1. Adequacy of Reserves.

You recommend that the reserves be maintained at £2.2m. If all the capital programme projects are realised and recognising that a new Government might have different funding priorities, will the Council be able to maintain reserves of £2.2m?

RESPONSE

The capital programme for 2015/16 is fully funded (i.e. all of the individual projects are matched by existing receipts and specific ear marked reserves (including a significant sum from our New Homes Bonus receipts). Clearly if a new Govt. is elected and changes national/regional priorities (which may include changes to funding levels) the Council will/may need to reprioritise some of the existing schemes. This would only happen after reports considering our options went to PDGs, Cabinet and Full Council (if/when necessary). This also highlights the increased uncertainty in operational and financial planning for the future of Mid Devon which is why I advocate hold a healthy level of reserves at the current time.

2. The budget does not show an allocation for redundancy payments. Is it intended that any future payments will be made out of reserves? If not, how is it to be financed?

RESPONSE

The 2015/16 General Fund budget has no specific amounts included in it to cover redundancy payments – because we have no “planned” redundancies from our 2015/16 staffing budget as at the current time. However, as the Govt. cuts continue it remains likely that we will be required to further reduce our staffing establishment. We would like to think most of any reduction in staff numbers would come from natural wastage, but it is also possible that some redundancies would be considered on a base by case basis as and when/where appropriate as a result of the Council reducing services. This remains one of the reasons again why I recommend that we keep our GFund reserves balance at 25% of our operational net expenditure in order to provide for these potential one-off costs that should deliver future savings.

3. Pannier Market.

The 2014/2015 capital programme identified under economic development £110k be allocated to 'convert the pig pens into units and a walkway cover' this commitment is now not in the capital programme going before Council. Is this an oversight?

RESPONSE

Officers have updated me that this project/scheme will not be delivered in 2014/15 as a direct consequence of the need to secure circa 50% in external funding to supports its

delivery (this work is ongoing). It is anticipated that if this funding bid is successful the project will be slipped into the 2015/16 capital programme. As in all years, the Cabinet will receive a detailed outturn report at its May meeting, which amongst a number of recommendations, will review and approve any capital scheme slippage from the 2014/15 capital programme which will then be added to the 2015/16 programme.

4. The MTFP shows an allocation to undertake work to the paving in the pannier market and decorate the building. What is the status of this allocation?

RESPONSE

The MTFP doesn't allocate any budgetary approval – either with regard to revenue or capital. It serves to show members/officers the cost of delivering “business as usual” – adjusted for known changes to service costs, Govt. legislation and funding, employee costs, etc. The MTFP helps to then shape work on the future budget setting process.

Full Council approve the capital programme after recommendation from the Cabinet at its meeting in early February. The Cabinet recommend the 2015/16 capital programme and only note the draft programmes for 2016/17 and 2017/18. This gives members/officers the opportunity to consider what the Council would like to deliver in future years, but clearly this will always be subject to review/change as costs can change as can Govt. priorities and funding which might result in a fundamental review of the programme.

With regard to any investment in the Pannier Market – this will need to be considered in conjunction with a detailed business case/plan – along the same lines as our earlier “spend to save” project at Lords Meadow LC (i.e. to clearly demonstrate the rationale of the investment based on a reasonable pay-back period) if the investment is to proceed.

5. Economic Development -Capital Programme.

Previous reports show allocations of £100k for economic development in the last four years for 'schemes yet to be identified' the same is true for the next four years.

If no schemes are identified by 2018 this budget head will have a balance of £800k. Do we have a plan to save up and then spend on a major project or are we assuming that in each financial year we will need £100k for schemes yet to be identified?

RESPONSE

When the Govt. introduced New Homes Bonus funding the Council committed to using a significant proportion for Private Sector Housing (circa £450k per annum) and Economic Development initiatives (£100k per annum). With regard to Econ. Dev. The Council has already recruited a new Econ. Dev. Officer and is in the process of recruiting a Town Centre Manager. It is also funding 2 fixed term officers in Fwd Planning to help with progressing the Local Plan per timetable. As far as our capital budgets/projects – Amy Tregellas is bringing a report to the March Cabinet to give members an update on our Econ Dev outcomes and future plans. These future plans will need to be shaped by our current and future budget availability and associated staff resources that we have to deliver it.

6. The cost of moving the Council Chamber to Phoenix House is estimated to be in the region of £25k, where are the funds for this spend?

RESPONSE

This project can be split into 2 distinct tranches of work. Firstly, we need to create a large space to run the election process from (incl. the count) from asap. This has necessitated a number of dept. office moves – but has been undertaken at very little operational cost and is planned to be functioning by the end of March.

Secondly, to turn this new room into a fully functioning Council Chamber we will need to consider: sound proofing, microphones, hearing loops, display units and other associated technology. This part of the project is anticipated to be delivered in the new financial year and is likely to cost in the region of £25k – but will make the Council more self-sufficient with regard to its future property asset requirements. It is currently estimated that this £25k can be found from budget savings being shown against the property services dept. in the 2014/15 budget monitoring report.