

West Devon Overview and Scrutiny Committee



West Devon
Borough
Council

Title:	Agenda												
Date:	Tuesday, 18th January, 2022												
Time:	2.00 pm												
Venue:	Chamber - Kilworthy Park												
Full Members:	<p style="text-align: center;">Chairman Cllr Ewings Vice Chairman Cllr Kimber</p> <p><i>Members:</i></p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td>Cllr Blackman</td> <td>Cllr Samuel</td> </tr> <tr> <td>Cllr Coulson</td> <td>Cllr Sellis</td> </tr> <tr> <td>Cllr Heyworth</td> <td>Cllr Southcott</td> </tr> <tr> <td>Cllr Kemp</td> <td>Cllr Spettigue</td> </tr> <tr> <td>Cllr Moody</td> <td>Cllr Vachon</td> </tr> <tr> <td>Cllr Moyse</td> <td>Cllr Wood</td> </tr> </table>	Cllr Blackman	Cllr Samuel	Cllr Coulson	Cllr Sellis	Cllr Heyworth	Cllr Southcott	Cllr Kemp	Cllr Spettigue	Cllr Moody	Cllr Vachon	Cllr Moyse	Cllr Wood
Cllr Blackman	Cllr Samuel												
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Cllr Kemp	Cllr Spettigue												
Cllr Moody	Cllr Vachon												
Cllr Moyse	Cllr Wood												
Interests – Declaration and Restriction on Participation:	Members are reminded of their responsibility to declare any disclosable pecuniary interest not entered in the Authority's register or local non pecuniary interest which they have in any item of business on the agenda (subject to the exception for sensitive information) and to leave the meeting prior to discussion and voting on an item in which they have a disclosable pecuniary interest.												
Committee administrator:	Democratic.Services@swdevon.gov.uk												

- 1. Apologies for Absence**
- 2. Confirmation of Minutes** **1 - 6**
Minutes from the meeting held on 16 November 2021
- 3. Declarations of Interest**
In accordance with the Code of Conduct, Members are invited to declare any Disclosable Pecuniary Interests, Other Registerable Interests and Non-Registerable Interests including the nature and extent of such interests they may have in any items to be considered at this meeting;
- 4. Items Requiring Urgent Attention**
To consider those items which, in the opinion of the Chairman, should be considered by the Meeting as matters of urgency
- 5. Public Forum** **7 - 8**
A period of up to 15 minutes is available to deal with issues raised by the public.
- 6. Draft Budget Proposal 2022/23** **9 - 46**
- 7. Third Sector Partners -Tamar Valley AONB**
Presentation by Dan Cooke (Tamar Valley AONB) and opportunity for Member questions
- 8. Council Delivery Against Key Performance Indicators** **47 - 58**
- 9. Community Broadband -quarterly update**
- 10. Task and Finish Group Updates (if any)**
- 11. O&S Annual Work Programme inc. prep for next meeting** **59 - 60**
- 12. Member Learning and Development Opportunities Arising from this Meeting**

Agenda Item 2

At a Meeting of the **OVERVIEW & SCRUTINY COMMITTEE** held at the Council Chamber, Council Offices, Kilworthy Park, Drake Road, **TAVISTOCK** on **TUESDAY** the **16th** day of **NOVEMBER 2021** at **2:00 pm**.

Present:

Cllr M Ewings – Chairman
Cllr P Kimber – Vice-Chairman

Cllr N Heyworth	Cllr T Southcott
Cllr C Kemp	Cllr P Vachon
Cllr D Moyse	Cllr L Wood
Cllr D Sellis	

Deputy Chief Executive
Director of Place and Enterprise
Director of Governance and Assurance
Democratic Services Manager
Head of Strategy and Projects
Customer Service Improvement Manager
Community Safety Specialist (via Teams)
Localities Team Leader

Cllr Andrea Davis – Devon County Council (DCC) lead Cabinet Member for Climate Change, Environment and Transport;
Mr Jamie Hlland – DCC Transportation Strategy and Road Safety Manager;
Mr Damien Jones – DCC Head of the Transport Co-Ordination Service; and
Mrs Becca Hewitt – Community Safety Partnership Chair (via Teams).

Also in Attendance:

Cllrs K Ball, P Crozier, C Edmonds, N Jory, C Mott (via Teams), T Pearce, B Ratcliffe and J Yelland

***O&S 20 APOLOGIES FOR ABSENCE**

Apologies for absence for this meeting were received from Cllrs A Coulson, J Moody, L Samuel and J Spettigue.

***O&S 21 CONFIRMATION OF MINUTES**

The minutes of the Meeting of the Overview and Scrutiny Committee held on 6 October 2021 were confirmed by the Meeting as a true and correct record.

***O&S 22 DECLARATIONS OF INTEREST**

Members and officers were invited to declare any interests in the items of business to be considered during the course of this meeting but there were none made.

***O&S 23 PUBLIC FORUM**

The Chairman confirmed that no formal requests had been received in accordance with the Overview and Scrutiny Procedure Rules.

***O&S 24 PUBLIC TRANSPORT IN WEST DEVON**

The Chairman introduced Cllr Andrea Davis (the Devon County Council (DCC) lead Cabinet Member for Climate Change, Environment and Transport); Mr Jamie Hulland (DCC Transportation Strategy and Road Safety Manager); and Mr Damien Jones (DCC Head of the Transport Co-Ordination Service) to respond to Member questions that were pertinent to Cllr Davis' Cabinet areas of responsibility.

In so doing, particular reference was made to:

- the local and regional significance of the start of the rail service from Okehampton. A number of Members echoed the comments of Cllr Davis that the introduction of the rail service from Okehampton was a massive achievement. In highlighting the importance of a phased approach to the Dartmoor Line project, it was hoped that the service could ultimately be extended to Tavistock and Cllr Davis wished to put on record her thanks to the Devon County Council local Ward Member for Tavistock, who had been instrumental in reaching this point in the project. Furthermore, local Ward Members emphasised both the importance of the proposed railway station at Okehampton Parkway and that Station Road would not be able to cope with the additional vehicular movements that would be generated;
- the need to discourage and reduce car usage. The meeting recognised that buses were almost the forgotten mode of transport and yet remained an efficient method of mass transit. The representatives advised the meeting that the County Council had submitted a copy of its proposed Bus Service Improvement Plan in response to the Central Government consultation on the National Bus Strategy (link to response: [National Bus Strategy - Devon's Response - Travel Devon](#));
- partnership working. The achievements that had been made to date were largely attributed to the effective partnership working between stakeholders including: the County and Borough Councils, local MPs, Network Rail and Great Western Rail. It was noted that, in line with the phased approach of the project, the continuation of such positive partnership working would be absolutely vital;

- the bids that had been submitted to the Central Government Levelling Up Fund. In reflecting the views from across the County, Cllr Davis and a number of Members expressed their disappointment that all of the bids that had been submitted to the Levelling Up Fund had been unsuccessful. It was noted that a feedback meeting was to be held in the upcoming weeks and it was felt that this would be particularly useful to ascertain why each of the bids had proven to be unsuccessful;
- the need for improved transport hubs throughout Devon were recognised by Members and officers alike. In addition, there was an identified need for increased provision of secure bike storage at such hubs. This was felt to be particularly pertinent when considering: the Climate Change and Biodiversity Emergency; the Health and Wellbeing benefits associated with cycling; and the trend for young people to cycle as opposed to learn to drive a car;
- the potential cycle route from Yelverton to Roborough. Whilst there remained some challenging discussions to be held, the County Council representatives remained committed to ensuring that a cycle route was deliverable from Yelverton to Roborough. When questioned, the representatives also confirmed that they would provide an update on the ability to fill the two gaps along the tarka trail cycle route outside of this Committee meeting.

Upon the conclusion of the agenda item, a number of Members wished to put on record their thanks to the DCC lead officers and Cabinet Member for providing such a promising and exciting update. Furthermore, a number of the aspirations that had been set out during this agenda item would fulfil many of the Borough Council's targets in relation to Climate Change, Health and Wellbeing and improved connectivity that were contained within the recently adopted 'A Plan for West Devon'.

***O&S 25 SOUTH DEVON AND DARTMOOR COMMUNITY SAFETY PARTNERSHIP**

Consideration was given to a report that provided Members with the opportunity to scrutinise the work of the South Devon and Dartmoor Community Safety Partnership (CSP).

In discussion, reference was made to:-

- (a) each of the key achievements that were set out within the published agenda report. The Community Safety Partnership representatives provided the Committee with additional information on each of the key achievements. Members subsequently recognised the amount of good work that was being undertaken by the Partnership;

- (b) the Council's appointed representative on the Partnership. The Committee Chairman informed the meeting that, as part of her role as the Council's appointed representative on the Partnership, she was fully prepared to escalate any related issues on behalf of any Member of the Council;
- (c) the invaluable ongoing support provided by the Borough Council. The Partnership representatives extended their thanks to the Council for its unwavering support for the Partnership.

***O&S 26 MAXIMISING COUNCIL RESOURCES THEMATIC DELIVERY UPDATE**
In line with the recently adopted 'A Plan for West Devon', the Committee considered a report that set out an update on the priority focus area of 'Maximising Council Resources' and was the first such thematic update report to be considered since the adoption of the Plan.

In the ensuing discussion, the following points were raised:-

- (a) The importance of Member attendance at their respective Hub Advisory Groups was emphasised;
- (b) With regard to the new Environmental Health system, Members questioned how user friendly it was proving to be for officers. In reply, officers committed to providing a response outside of this meeting;
- (c) Widespread support was expressed for the upcoming Staff Awards Event that sought to recognise the outstanding achievements and work that had been carried out by Council officers during the COVID-19 Pandemic. Having been informed that the Event would be streamed via Microsoft Teams, it was agreed that all Members would be sent an invitation;
- (d) As part of Action R1.10 (suitability of Council Asset Base), a Member highlighted the dire shortage of storage space for rental across the Borough. In reply, it was agreed that this should be given further consideration at a future meeting of the Hub Advisory Group.

***O&S 27 PERFORMANCE UPDATE REPORT**
Consideration was given to a report that provided a high level update of performance (for the period from July to September 2021) across the Council.

In discussion, the following points were raised:

- (a) Members welcomed the fact that a service review was to be undertaken into the Contact Centre during 2022;

- (b) In respect of the consistent increases in missed bin collections, officers confirmed that the contract did contain penalty clauses and these were being applied.

It was then:

RESOLVED

That the Committee note the performance figures for the period from July to September 2021.

***O&S 28 LOCALITIES TEAM UPDATE**

Members considered a report that provided an annual update on the workings of the Locality Service and how it had evolved from its initial inception in 2015.

In discussion, reference was made to:

- (a) the success and effectiveness of the Service. A number of Members paid tribute to the sheer volume of work that was carried out by the Team and asked that their thanks be forwarded accordingly. By way of a reminder, the lead Hub Committee Member did ask that all Members continue to report issues via the generic email address and to not bypass it and contact members of the Team direct;
- (b) the future of the Link Committees. It was noted that discussions were ongoing with regard to the Council reinstating its three Link Committees.

It was then:

RESOLVED

That the Committee continues to support the Locality Model pending ongoing monitoring and a further report being presented to the Committee in twelve months' time.

O&S 29 OVERVIEW AND SCRUTINY ANNUAL REPORT

The Committee considered a covering report that presented the Overview and Scrutiny Annual Report for 2020/21.

In discussion, Members recognised the amount of work that had been carried out by the Committee and thanked the lead officers for their help and support.

It was then:

RECOMMENDED

That the Council be **RECOMMENDED** to adopt the Overview and Scrutiny Annual Report for 2020/21.

***O&S 30 TASK AND FINISH GROUP UPDATES (if any)**

There were no updates.

***O&S 31 O&S ANNUAL WORK PROGRAMME 2021/22**

In discussion on the latest Work Programme, Members made the following points:

- (a) Such had been the effectiveness of the agenda item on public transport in West Devon (Minute *O&S 24 above refers) that the Committee requested that the lead Devon County Council officers and Cabinet Member be invited to attend a future meeting to provide a further update;
- (b) With regard to the attendance of the Tamar Valley Area of Outstanding Natural Beauty representative at the next Committee meeting to be held on 18 January 2022, Members were encouraged to submit their questions in advance of this meeting.

***O&S 32 MEMBER LEARNING AND DEVELOPMENT OPPORTUNITIES ARISING FROM THIS MEETING**

Members were reminded to contact the Council's appointed representative on the Community Safety Partnership if they had any related issues that required escalation.

(The meeting terminated at 4:10 pm)

Chairman

PUBLIC FORUM PROCEDURES

(a) General

Members of the public may raise issues and ask questions at meetings of the Overview and Scrutiny Committee. This session will last for up to fifteen minutes at the beginning of each meeting, with any individual speaker having a maximum of three minutes to address the Committee.

(b) Notice of Questions

An issue or question may only be raised by a member of the public provided that they have given written notice (which may be by electronic mail) to Darryl White (darryl.white@swdevon.gov.uk) by 5.00pm on the Thursday, prior to the relevant meeting.

(c) Scope of Questions

An issue may be rejected by the Monitoring Officer if:

- it relates to a matter within the functions of the Planning and Licensing Committee;
- it is not about a matter for which the local authority has a responsibility or which affects the district;
- it is offensive, frivolous or defamatory;
- it is substantially the same as a question which has previously been put in the past six months; or
- it requires the disclosure of confidential or exempt information.

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Agenda Item 6

Report to: **Overview and Scrutiny Committee**

Date: **18th January 2021**

Title: **Revenue and Capital Budget Proposals for 2022/23**

Portfolio Area: **Cllr N Jory – Budget Setting Process**

Wards Affected: **All**

Urgent Decision: **N** Approval and clearance obtained: **Y**

Author: **Lisa Buckle** Role: **Corporate Director for Strategic Finance**

Contact: Email: lisa.buckle@swdevon.gov.uk

RECOMMENDATION:

That the views of the Overview and Scrutiny Committee are sought on the content of the Revenue Budget Proposals report for 2022/23.

Views are sought in particular on:-

- i) The proposed increase in Council Tax for 2022/23 of £5 (Band D of £246.63 for 2022/23 – an increase of 10 pence per week or £5 per year – equates to a 2.07% increase);
- ii) The financial pressures shown in Appendix A of £689,000;
- iii) The net contributions to Earmarked Reserves of £209,350 as shown in Appendix A, including the proposed use of £75,000 from the Business Rates Retention Earmarked Reserve as set out in 3.21 of the report;
- iv) That the Council transfers £162,850 into a Financial Stability Earmarked Reserve in 2022/23, to be available for any future financial pressures from future local government funding reforms and any other budget pressures;

- v) To use £150,000 of New Homes Bonus funding in 2022/23 to fund the Revenue Base Budget as set out in 3.30 of the report
- vi) That £172,084 of the New Homes Bonus grant allocation for 2022/23 is allocated to an Affordable Housing Earmarked Reserve as a one-of contribution for 2022/23 as set out in 3.30 to 3.31.
- vii) The savings of £221,000 as shown in Appendix A; and
- viii) The proposed Capital Programme Proposals for 2022/23 of £835,000 and the proposed financing of the Capital Programme as set out in Appendix D.
- ix) That Unearmarked Reserves should continue to have a minimum level of £900,000 (as set in the Medium Term Financial Strategy in September 2021), but an operating level of a minimum of £1.25million.
- x) That the Committee notes that West Devon Borough Council will continue to be part of the Business Rates Pool for 2022/23 as per 3.23

1. Executive summary

- 1.1 The Council's Medium Term Financial Strategy (MTFS) is based on a financial forecast over a rolling three year timeframe to 2024/25. The Council has chosen a three year timeframe for its MTFS, as this dovetails to the timescales of the Corporate Strategy, 'A Plan for West Devon'.
- 1.2 The Council, along with other local authorities, has faced unprecedented reductions in Government funding. Between 2009/10 and 2020/21, the Council's Core Government funding has reduced by £3 million. The Council now receives **no main Government Grant (Revenue Support Grant)** – this has been reduced to zero.
- 1.3 West Devon has continued to work in partnership with South Hams District Council which has allowed West Devon to achieve annual savings of £2.2 million and more importantly protect all statutory front line services. Between both Councils the annual shared services savings being achieved are over £6 million per annum. However, the Councils continue to face considerable financial challenges as a result of uncertainty in the wider economy and constraints on public sector spending.
- 1.4 It is important to note that this Medium Term Financial Strategy (MTFS) sets out the budget strategy for the Council for the next three years, with regular reviews (at least annually) and updates when items are further known or are announced by the Government.

- 1.5 Covid 19 has caused financial strain for all Councils up and down the country where Councils find themselves being caught in a 'perfect storm'. Councils have to manage both the increased costs of coping with Covid19 and supporting vulnerable people in the community and the loss of key income streams such as car parking income, planning income and council tax and business rates income.
- 1.6 The factors affecting the Council's finances are issues affecting the whole Local Government sector. The Council is well-placed to meet the financial challenges arising from Covid19, due to its prudent financial management over previous years.
- 1.7 The key assumptions within this Budget Report are as below, alongside the announcements from the draft Local Government Finance settlement (announced by the Secretary of State for Levelling Up, Housing and Communities by a written statement to Parliament on Local Government Finance on 16th December 21). Each of these is described in more detail in Section 3.
- The finance settlement is for a single year only and there will be further details on proposed funding reforms and consultations in the New Year. Priority in the finance settlement is "stability in the immediate term", with a more fundamental review of local government funding starting in 2022
 - The business rates baseline reset will be deferred until 2023/24 (with no negative Revenue Support Grant in 2022/23)
 - It is assumed there will be a phasing in of negative Revenue Support Grant (RSG) in 2023/24 as part of the business rates baseline reset with a transition period over three years, to avoid Local Authorities losing/gaining too much in one go
 - Council Tax Referendum limits have been confirmed for District Councils to be the higher of £5 or 1.99% for 2022/23
 - New Homes Bonus has been 'rolled over' for another year, with legacy payments being honoured.
 - A business rates pooling gain of £200,000 has been modelled for 2022/23 with reduced gains for 2023/24 onwards.
 - The Council tax collection rate has been assumed to be 97%
 - Rural Services Delivery Grant will continue at the same level for 2022/23 (£487,296 for WDBC)
 - No permanent reductions to the Council's income streams (such as car parking income etc. as a result of the Covid pandemic) have been built into the Base Budget for 2022/23. This will be regularly monitored over the next few months.
 - A 2% pay increase has been modelled from 2022/23 onwards (2% equates to £90,000).

- 1.8 The report sets out proposals for the Council to achieve a balanced budget for 2022/23, as shown in Appendix B. The Council is currently forecasting a £450,496 budget gap by the following year, 2023/24. The cumulative aggregated Budget Gap by 2024/25 is £0.97million, if no action has been taken in each individual year to close the budget gap annually. The 2023/24 budget gap is largely attributable to the fact that negative RSG (Revenue Support Grant) of £182,000 is predicted to be applied in 23/24, as well as the loss of the New Services Grant of £113,606 (which is only a one-off grant for 22/23). Also the amount of New Homes Bonus funding the revenue base budget is forecast to reduce by £73,000 in 2023/24.

Budget Gaps	2022/23 £	2023/24 £	2024/25 £	Total Aggregated Budget Gap £
'New' Budget Gap each year	Nil	450,496	67,071	517,567
*Cumulative Budget Gap	Nil	450,496	517,567	968,063

* (Cumulative Budget Gap assumes annual new budget gaps have not been addressed)

- 1.9 The Draft Revenue Budget Proposals report to the Hub Committee on 7th December 2021 identified a budget gap of £40,296 for 2022/23. The table below sets out the changes in this report from the previous report, following the announcement of the Draft Local Government Finance Settlement on 16th December. A balanced budget is shown for 2022/23 following the announcement.

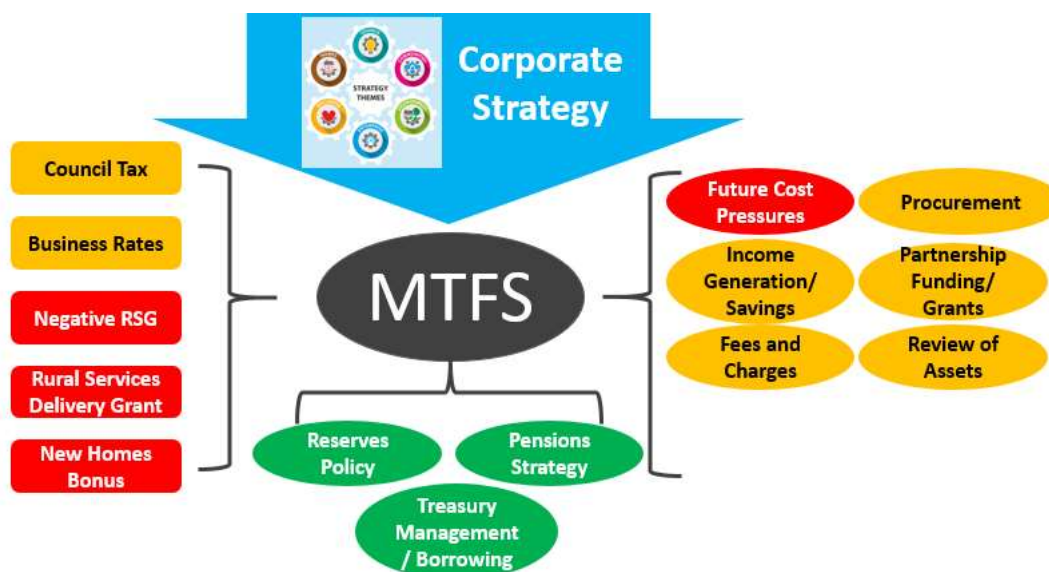
	£
<i>Budget gap for 22/23 reported in the Hub Committee report on 7th December 2021 (Draft Revenue Budget Proposals for 2022/23)</i>	40,296
<i>Increase in income or funding modelled</i>	
New 2022/23 Services Grant for 2022/23 of £113,606 (see 3.25)	(113,606)
Increase in Lower Tier Services Grant – The December 21 budget report predicted an amount of £35,000 for the LTS Grant. The actual amount has been announced in the finance settlement as £73,923 – an increase of £38,923.	(38,923)

	£
Increase in Council TaxBase – The December 21 budget report estimated the Council TaxBase to be 20,259.51. The final TaxBase for 22/23 has been calculated at 20,687.75 Band D equivalent properties, resulting in an increase of council tax income of £105,617.	(105,617)
<i>Reduction in income modelled or increase in cost pressures</i>	
Rough Sleeper outreach worker post – to make this post a permanent post on the establishment, shared with South Hams. Total cost of £40,000 (wdbc 40% share £16,000).	16,000
To fund the rough sleeper outreach post from homelessness government grant income annually.	(16,000)
IT Support contracts cost pressure – Add an additional cost pressure for £30,000 for the increased number of users on the network, acquiring remote diagnostics software for the increase in remote working, further IT for Disability Access legislation (monitoring compliance and enhancing access online). This was identified as a cost pressure in the latest budget monitoring report to the Hub Committee on 7.12.21.	30,000
Joint Local Plan cost pressure – an element of staff costs of the JLP team were previously funded from the JLP Earmarked Reserve which has now been depleted – recommend to make a contribution to the reserve of £25,000 per annum.	25,000
Contribution to Financial Stability Earmarked Reserve (one-off for 2022-23)	162,850
<i>Revised Budget gap for 2022/23 as set out in this report (as at January 2022)</i>	Nil – (A balanced budget position is presented)

2 COMPONENTS OF THE MEDIUM TERM FINANCIAL STRATEGY

2.1 The Diagram below sets out all of the component parts which constitute the make-up of a Medium Term Financial Strategy. Items in Green denote those elements where the Council has a large degree of control over the setting of policies and strategies. Items in Amber denote those components of the MTFs where the Council has a degree of control. Red items signal components where the Council has hardly any control over funding allocations which are decided by the Government and future cost pressures which can largely be outside of the Council's control or influence.

2021/22 Net Budget £7.3 million



2.2 The key assumptions within the Draft Revenue Budget Proposals report for 2022/23 are set out in 1.7.

OVERALL POSITION – BUDGET GAP

2.3 Financial modelling has been undertaken for the next three years to predict the Council's financial situation for the short and medium term.

2.4 **Appendix A** to the Medium Term Financial Strategy sets out the Budget Pressures forecast for the next three years and the additional savings and income forecast. **Appendix B** illustrates the overall financial forecast for the forthcoming three years. The Council's Net Budget is £7.3 million in 2021/22.

- 2.5 A Summary forecast is shown below of the potential budget situation if all of the budget pressures and the savings and income generation in Appendix A were approved. It also shows the situation if the Council Tax is increased by £5 per annum (shown in Appendix B).
- 2.6 The report sets out proposals for the Council to achieve a balanced budget for 2022/23, as shown in Appendix B. The Council is currently forecasting a £450,496 budget gap by the following year, 2023/24. The cumulative aggregated Budget Gap by 2024/25 is £0.97million, if no action has been taken in each individual year to close the budget gap annually. The 2023/24 budget gap is largely attributable to the fact that negative RSG (Revenue Support Grant) of £182,000 is predicted to be applied in 23/24, as well as the loss of the New Services Grant of £113,606 (which is only a one-off grant for 22/23). Also the amount of New Homes Bonus funding the revenue base budget is forecast to reduce by £73,000 in 2022/23.

Budget Gaps	2022/23 £	2023/24 £	2024/25 £	Total Aggregated Budget Gap £
'New' Budget Gap each year	Nil	450,496	67,071	517,567
*Cumulative Budget Gap	Nil	450,496	517,567	968,063

* (Cumulative Budget Gap assumes annual new budget gaps have not been addressed)

3 ANNOUNCEMENTS FROM THE DRAFT LOCAL GOVERNMENT FINANCE SETTLEMENT

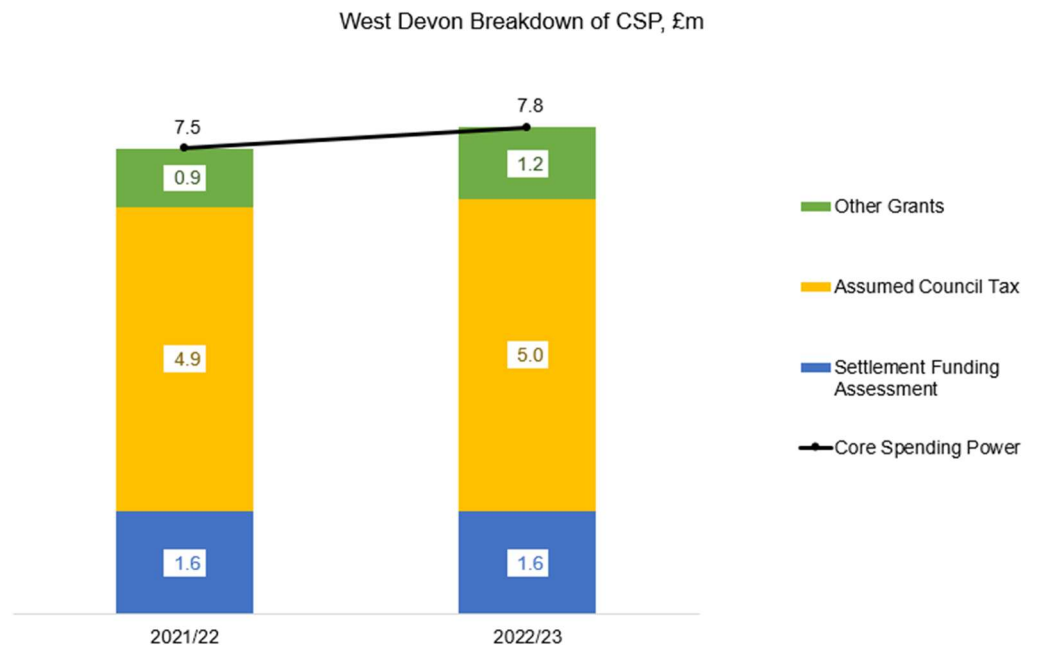
- 3.1 On 16th December, the Secretary of State for Levelling Up, Housing and Communities made a written statement to Parliament on Local Government Finance. The one year finance settlement for 2022/23 was issued for consultation. The full announcement is set out on the following link (Consultation responses are due by 13th January 2022):

<https://www.gov.uk/government/collections/provisional-local-government-finance-settlement-england-2022-to-2023>

- 3.2 The 'Core Spending Power' is a headline figure used by the Government to represent the key revenue resources available to local authorities, including an estimate of actual and potential council tax, as below. The Council now receives no main Government grant (Revenue Support Grant).

3.3 **Core Spending Power (which is a measure of how much extra funding a Council has received for next year) has increased by 4.6% for 2022/23.** Core Spending Power is the term the Government use to say how much money Councils have to run their services. On looking at the detail below, it can be seen that the extra funding of 4.6% is mainly coming from assumed Council Tax increases in 2022/23.

3.4 However this calculation of Core Spending Power already assumes that a Council will increase its council tax up to the maximum allowed under the referendum limits for 2022/23 – so for WDBC a £5 council tax increase (10pence per week) for 2022/23 is included within this 4.6% increase in funding. New Homes Bonus is also included in the measure of Core Spending Power in ‘Other Grants’. Core Spending Power has increased from £7.5m in 2021/22 to £7.8m in 2022/23 as shown below. Nationally, Core Spending Power has increased by 4.4% (factoring in council tax increases).



Council Tax

3.5 The Council Tax Referendum limits for District Councils for 2022/23 have been announced in the finance settlement as the higher of 1.99% or £5. An increase in council tax of £5 for the next three years has been modelled for council tax purposes. This would equate to a Band D council tax for West Devon of £246.63 in 2022/23 as shown in Appendix B (an increase of £5 for the year (10 pence per week) which equates to a 2.07% increase. The council tax for 2022/23, the WDBC share, will be set at the Council meeting on 15th February 2022. (A 1% increase in council tax generates £50,000 of extra council tax income).

Council agreed on 28 September 21 to set the strategic intention to raise council tax by the maximum allowed in any given year, without triggering a council tax referendum, to endeavour to continue to deliver services. The actual council tax for any given year will be decided by Council in the preceding February.

Council Tax legislation sets out that Council Tax is partly a form of general taxation on a property and partly a tax on the people living in a property. Council Tax funds essential services in an area and the cost of public services is spread across all tax payers in the same way, regardless of which services they use or receive. Council Tax is a form of general taxation rather than a service charge.

- 3.6 The table below shows how an average Band D council bill is made up for West Devon Borough Council for 2021/22, compared to 2020/21. Of an average Band D Council Tax within the Borough of £2,166.58, an amount of £241.63 is the element of a council tax bill set by West Devon Borough Council. Therefore 11pence of every £1 paid (11%) in council tax is received by West Devon Borough Council to pay for our services. The rest of the council tax bill is set by Devon County Council, the Fire, the Police and Town and Parish Councils to fund the services they provide.

Precepting Authority	Band D 2020/21	Band D 2021/22	£ Increase	% Increase	Date Approved
West Devon Borough Council	£236.63	£241.63	£5.00	2.11%	16 Feb 2021
Devon County Council	£1,439.46	£1,511.28	£71.82	4.99%	18 Feb 2021
Police & Crime Commissioner	£221.64	£236.56	£14.92	6.73%	5 Feb 2021
Fire & Rescue	£88.24	£90.00	£1.76	1.99%	19 Feb 2021
Average Parishes/Towns	£80.90	£87.11	£6.21	7.68%	
TOTAL	£2,066.87	£2,166.58	£99.71	4.82%	

The largest Parish Precepts in 2021/22 are North Tawton (£193.45), Tavistock (£181.24) and Okehampton Town (£133.93), with the smallest precepts being Bondleigh (£3.40) and Gidleigh (Nil) for a Band D property.

- 3.7 A council tax collection rate of 97% has been assumed for 2022/23. This may need to be revisited in future budget reports depending on the payment profiles being experienced for next year.

- 3.8 The District Council is responsible for collecting all the Council Tax debt of approximately £43m as West Devon BC is the Billing Authority. After keeping 11% of the council tax collected to run the Council's services, the rest is paid over to Devon County Council, the Police, the Fire and Town and Parish Councils.
- 3.9 On 17th December 2021, the Senior Leadership Team approved the calculation of the Council Tax Base for 2022/23 of 20,687.75. This is an increase of 448.24 Band D equivalent properties in comparison to 2021/22. The increase is attributable to nearly 245 extra properties, a reduction in Council Tax Support eligibility (110 properties) and an increase of 93 Band D equivalents in the TaxBase due to increasing the council tax collection rate from 96.5% in 21/22 to 97% in 22/23 in the 22/23 tax base calculation.
- 3.10 The Government is proposing to set no council tax referendum principles for Town and Parish Councils for 2022/23. There is a new £5 maximum precept increase for the lowest-funded fire authorities (with a 1.99% maximum increase for other fire authorities). Upper Tiers such as DCC can add an additional 1% social care precept (so DCC can increase their council tax Band D by 2.99%). Police will be subject to a £10 referendum limit.

Collection Fund Surplus for 2022/23

- 3.11 On an annual basis, the Council calculates the Collection Fund surplus or deficit on the Collection Fund. The Collection Fund is a Statutory Statement that forms part of the Annual Accounts each year and collates the position in terms of Income from Council Tax (actual amounts of council tax collected from council taxpayers) and the payments made to precepting authorities (DCC, Police, Fire, WDBC) and calculates an annual surplus or deficit after some adjustments for items such as write offs and bad debts. The annual surplus/deficit is distributed on an annual basis to precepting authorities.
- 3.12 Due to the pandemic in 2021/22 a small collection fund deficit was distributed to precepting authorities (WDBC share of the deficit was £9,771). Council Tax collection rates held up well in 2020/21 with 97.33% being collected in West Devon, which was 1.63% higher than the national average of 95.7%. A collection fund surplus of £1million has been calculated to be distributed for 2022/23 (with a WDBC share of the collection fund surplus of £152,000).

Business Rates and Negative Revenue Support Grant (RSG)

- 3.13 Ministers will be re-starting the local government funding reforms in the Spring. This means that the Fair Funding Review and the Business Rates Baseline Reset are both going to be under consideration again, for possible implementation in 2023-24.

- 3.14 The business rates baseline reset will be deferred until at least 2023/24 (with no negative Revenue Support Grant in 2022/23). This means the Council wouldn't have to forego some of its business rates income (£182,000) by paying some of it back to Government in the form of 'negative government grant' in 2022/23. Negative RSG is effectively the Council's further predicted funding cuts.
- 3.15 It is anticipated there will be a phasing in of negative RSG as part of the business rates baseline reset in 2023/24, with a transition period over three years, to avoid Local Authorities losing/gaining too much in one go. The modelling assumes negative RSG of £182,000 in 2023/24 and £227,500 in 2024/25. Some of the negative RSG could be offset by growth.
- 3.16 Estimates have been made of the business rates baseline funding levels for 2022/23 onwards and the relative deductions for negative RSG. For example in 2022/23, the £1.7m is the amount the Council retains from its business rates income collected of £10.6 million (the Council keeps about 16p in every £1 collected of business rates to fund its services).
- 3.17 **Volatility of Business Rates income – Business Rates Retention Reserve**
- 3.18 The Business Rates Retention (BRR) Earmarked Reserve was set up in 2013/2014 to cover any possible funding issues from the accounting arrangements of the localisation of business rates and to smooth the volatility from business rates income over a period of years.
- 3.19 In 2017/18 the Business Rates Retention Reserve had a balance of £509,550 and this has increased to £1.26million at 31.3.2021. A sum of £0.5m needs to be retained in the reserve to manage the cost of appeals, arrears, write offs and general fluctuations in business rates income.
- 3.20 It is recommended that the Council uses funding from the Business Rates Retention Earmarked Reserve to smooth the volatility in business rates income over the next three years.
- 3.21 Council on 28 September 2021 approved the use of funding from the Business Rates Retention Earmarked Reserve to smooth the volatility in business rates income over the next three years. The volatility is due to the business rates baseline reset anticipated in 2023/24 (this will mean the Council will have negative revenue support grant in 23/24) and the predicted reduction in business rates pooling gains at the same time in 23/24.
The table below shows that it is modelled to take £75,000 funding from this reserve in 22/23 to 24/25. This would reduce the business rates retention reserve by £225,000 over the next 3 years.

The table below shows how funding held in the Business Rates Retention Reserve will be retained for the purpose of smoothing out the business rates volatility/negative revenue support grant.

Business Rates Income	2022/23 (£m)	2023/24 (£m)	2024/25 (£m)
		Baseline Reset	
Business Rates Income	1.70	1.707	1.75
Less: Negative Revenue Support Grant (RSG)		(0.182)	(0.228)
Anticipated Pooling Gain	0.200	0.175	0.150
Funding proposed from the Business Rates Retention Reserve to smooth the volatility in business rates income	0.075	0.075	0.075
Total Business Rates Income	1.975	1.775	1.747

- 3.22 The Council responded to the Government consultation on the Call for Evidence on Business Rates Reform. A joint response was also sent by the Devon Business Rates Pooling partners. The 2020/21 collection rate for West Devon for business rates was 91.53%. The national average was 93%.

Devon Business Rates Pool

- 3.23 At the Hub Committee meeting on 7th December 2021 (Minute HC 52/21), it was recommended to Council to continue to be part of the Devon Business Rates Pool for 2022/23, subject to there being no announcements within the Finance Settlement, which in the opinion of the Section 151 Officer (in consultation with the Leader of the Council and the Hub Committee Member for Finance), would change this recommendation. The finance settlement has been announced and further modelling as been undertaken by the Pool to inform the recommendation for West Devon Borough Council to continue to be part of the Pool for 2022/23. A business rates pooling gain of £200,000 has been modelled for 2022/23 with lower gains for 2023/24 onwards when the baseline reset is scheduled to happen.

Rural Services Delivery Grant

- 3.24 Rural Services Delivery Grant will continue for 2022/23 onwards at previous levels (£85m nationally – WDBC share of £487,296). The Council will continue to lobby on the basis that the £85m should be increased, at least by inflation. This is Government grant to recognise the additional cost of delivering services in rural areas.

A new 2022/23 Services Grant

- 3.25 This is a new one-off grant just for 22/23 and is to partly offset the cost of the 1.25% increase in National Insurance social care levy. It is also to fund general responsibilities. WDBC will receive £113,606 for 2022/23. The cost of the 1.25% increase in National Insurance social care levy is estimated to cost £30,000 per annum.

Lower Tier Services Grant

3.26 The Lower Tier Services Grant will be £73,923 for 2022-23 (the December budget report had assumed this would be halved, so this is a higher allocation that has been announced in the draft finance settlement).

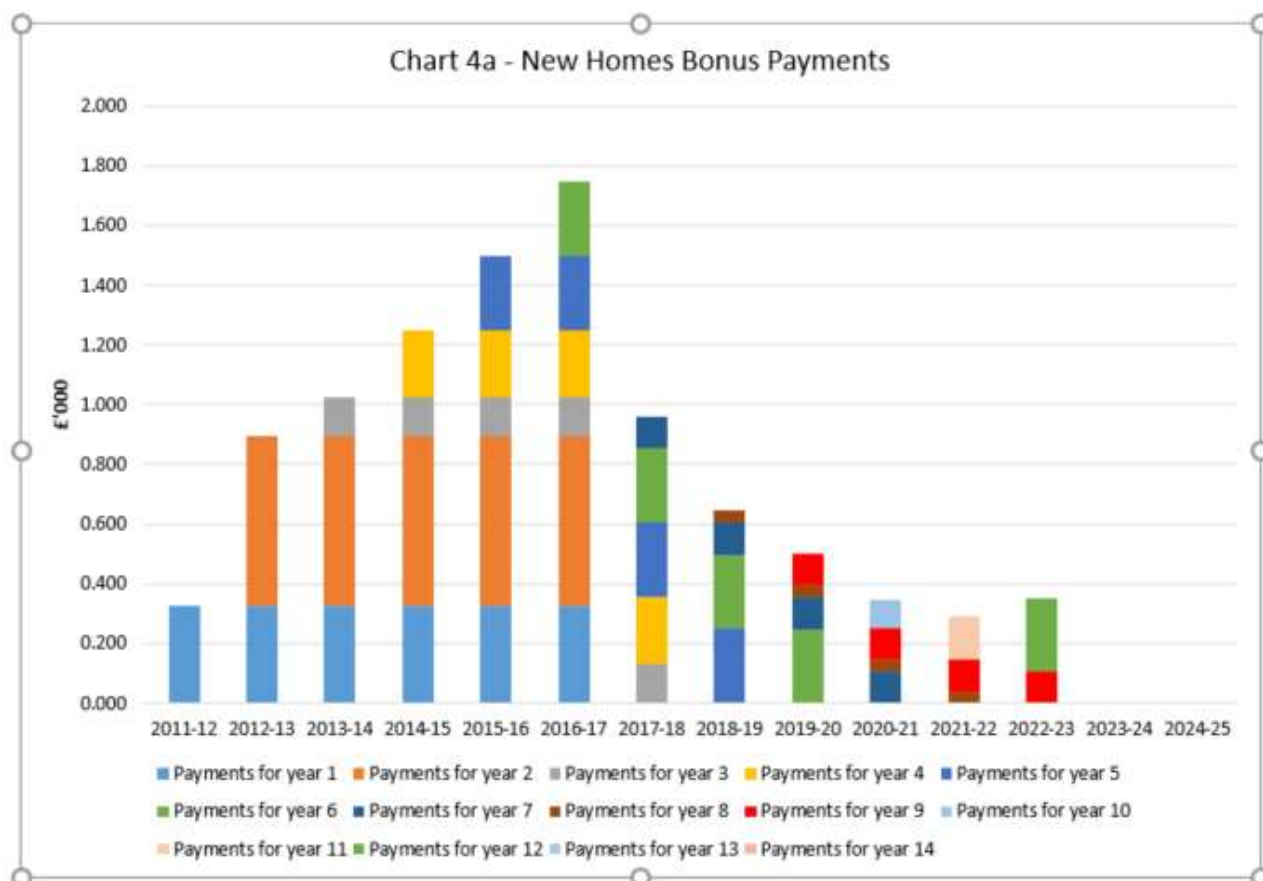
New Homes Bonus (NHB)

3.27 The New Homes Bonus (NHB) scheme has been rolled over into 2022-23 for one more year. It had previously been announced by the Government that it was being phased out. A consultation on a replacement scheme for New Homes Bonus is expected in the New Year. It is not known how a replacement scheme will operate.

3.28 The Council's provisional allocation of New Homes Bonus payments announced in the draft finance settlement is **an allocation of £352,084** for 2022-23. This is made up of an allocation of £245,000 for housing growth for 22/23 (based on the Council Tax Base 1 Form at October 2021) and a further £107,000 of legacy payments from Year 9 (19/20). The £245,000 is based on property additions of 253 Band D equivalent properties and a baseline of 0.4% (100 properties is deducted). Therefore 153 properties are paid at £1,515 plus 43 affordable housing units at £280.

The table below shows the NHB allocations received to date. Up until Year 9, payments were made for 4 years e.g. the £107,000 earned in 19/20 for housing growth has been paid in 19/20, 20/21, 21/22 and 22/23. From years 20/21 onwards, only one year of growth is paid, but the legacy payment from Year 9 (19/20) of £107,000 has been honoured by the Government and will be paid in 22/23.

	2018/19 (£)	2019/20 (£)	2020/21 (£)	2021/22 (£)	2022/23 (£)
Year 5 (15/16)	249,000				
Year 6 (16/17)	248,000	248,000	-	-	-
Year 7 (17/18)	109,000	109,000	109,000	-	-
Year 8 (18/19)	38,000	38,000	38,000	38,000	-
Year 9 (19/20)		107,000	107,000	107,000	107,000
Year 10 (20/21)			94,000	-	-
Year 11 (21/22)				148,000	-
Year 12 (22/23)					245,000
NHB allocation	£0.643m	£0.501m	£0.348m	£0.293m	£0.352m



3.29 The Draft Budget proposals in this report assumes that funding of £150,000 from NHB in 2022/23 will fund the revenue base budget and that £30,000 of NHB will fund the capital programme in Appendix D in 2022/23. Although the NHB scheme is due to be replaced, it is assumed that a successor scheme will be implemented that will also be based on housing growth.

3.30 The table below shows the proposed allocation of New Homes Bonus for 2022/23. It is proposed to allocate £172,084 of the remaining NHB into an affordable housing earmarked reserve as a one-off contribution for 2022/23.

New Homes Bonus (NHB)	Amount (£)
New Homes Bonus 2022/23 allocation	£352,084
Current proposed allocation:-	
To fund the Revenue Base Budget	(150,000)
To fund the Capital Programme (Appendix D)	(30,000)
A one-off contribution into an Affordable Housing Earmarked Reserve for 2022/23	(172,084)
Amount remaining unallocated	Nil

- 3.31 The £172,084 is additional funding to address the housing crisis and would be allocated by the Hub Committee in response to this. The funding will be used for discrete housing project work, for instance, to bring forward affordable homes.

Other assumptions within the Medium Term Financial Strategy (MTFS)

- 3.32 The last pay award offer for 2020/21 was 2.75%. A 2% pay increase has been modelled from 2021/22 onwards (2% equates to £90,000). The Medium Term Financial Strategy is not an expression of Council Policy on pay awards, but a means of ensuring an appropriate provision is made as part of the overall financial planning of the Council.
- 3.33 The Consumer Prices Index (CPI) was 4.2% in October 2021. RPI was 6.0%. The budget report includes cost pressures for inflation and increases on goods and services.
- 3.34 The predicted interest rate forecast from our treasury management advisors, Link Services, is that interest rates (Bank Base rate) are predicted to increase to 0.5% in June 2022, 0.75% in March 2023, 1% in March 2024 and 1.25% by March 2025.

‘A PLAN FOR WEST DEVON’

- 3.35 ‘A Plan for West Devon’, the Council’s strategic vision, sets out projects and schemes that the Borough Council think will help our communities to thrive. There is a separate report on this Hub Committee agenda. The Strategy sets out our longer term ambition. To support this ambition, the Council has developed delivery plans which set out the priorities for each of the next three years. This will enable the Council to ensure its resources are aligned to supporting Members’ priorities. The delivery plans have been developed by Lead Members in consultation with officers from across the Council.
- 3.36 The majority of activities set out in the delivery plans can be delivered through refocusing and reprioritisation of existing resources however, in order to realise the ambition set out in the strategy, some of the activities will require additional resources. The cost pressures identified in the ‘A Plan for West Devon’ report (Council 28 September 2021) are £122,000 for 2022/23 and £168,000 for 2023/24. This has been built into the cost pressures in this budget report.

OTHER BUDGET ITEMS

- 3.37 On 22 September 2020, Council considered a report on strategic leisure options. It was agreed to continue with the Fusion contract as being the most appropriate means of supporting health and wellbeing objectives within the Borough. A further report will be presented to the 1st February 2022 meeting of the Hub Committee on Leisure.

3.38 The Planning Improvement Plan report (Hub Committee 2.11.21) recommended increasing the staffing budget for four planning specialists and two legal specialists (shared with SHDC) by £71,000, to be financed by extra planning income. This has been built into the budget report. The Council will be reviewing core service delivery through on-going service reviews and will bring reports back to Members at the appropriate point, linking back to the corporate strategy.

3.39 Several other cost pressures have been included within the budget report and these are set out in detail in 1.9 of the Executive Summary. The latest budget monitoring report to the Hub Committee on 7 December 2021 identified some of these cost pressures. These are in summary:-

- Rough Sleeper outreach worker post – to make this a permanent post on the establishment, wdbc cost of £16,000, to be funded by homelessness government grant income.
- IT support contracts cost pressure £30,000
- Joint Local Plan cost pressure for staffing costs £25,000

4. Treasury Management and Borrowing Strategy

4.1 The Council has previously taken external treasury management advice on the Council's overall borrowing levels and debt levels. The Council set an Upper Limit on External Borrowing (for all Council services) as part of the Medium Term Financial Strategy of £50 million in 2019 and it is not proposed to change this limit at present. In 2020/21 the long term borrowing of the Council decreased from £28,944,000 (19/20) to £28,342,000. Short term borrowing increased from £590,000 to £603,000.

5 FEES AND CHARGES

5.1 During the 2022/23 Budget setting process (Hub Committee, 2nd February 2021), Members approved the following:

‘delegated authority be given to the relevant Head of Practice, in consultation with the relevant lead Hub Committee Member, to adjust Fees and Charges within their service area by inflation at suitable periodic intervals, with reports being presented to the Hub Committee as appropriate’.

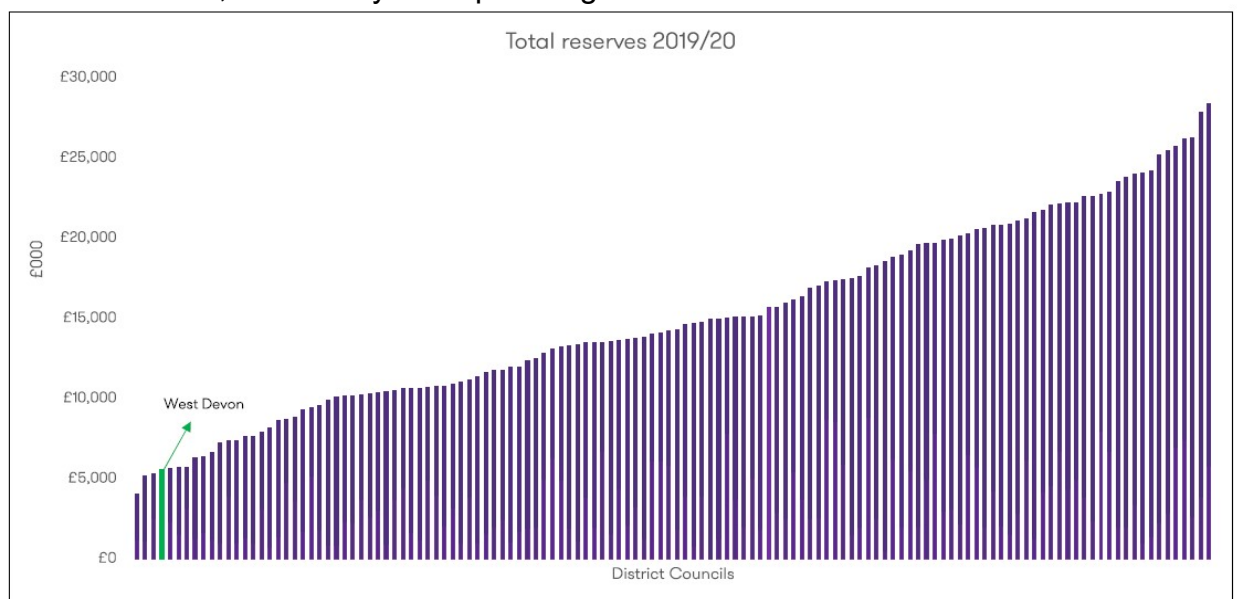
The Head of Finance will co-ordinate this work with the relevant Extended Leadership Team (ELT) leads and the relevant Hub Committee Members for inflationary increases.

- 5.2 No permanent reductions to the Council's income streams (such as car parking income) as a result of the Covid pandemic, have been built into the Base Budget for 2022/23. The budgeted income targets for these income streams are still the same level as they were in 2019/20 (prior to the pandemic).
- 5.3 This will be regularly monitored over the next few months. The Revenue Budget Monitoring report shows that the net loss on car parking income is predicted to be £69,000 for 2021/22 (after claiming Government compensation for lost income of £46,000 through the sales, fees and charges compensation scheme). Planning income is predicted to be above the budgeted level by £30,000.

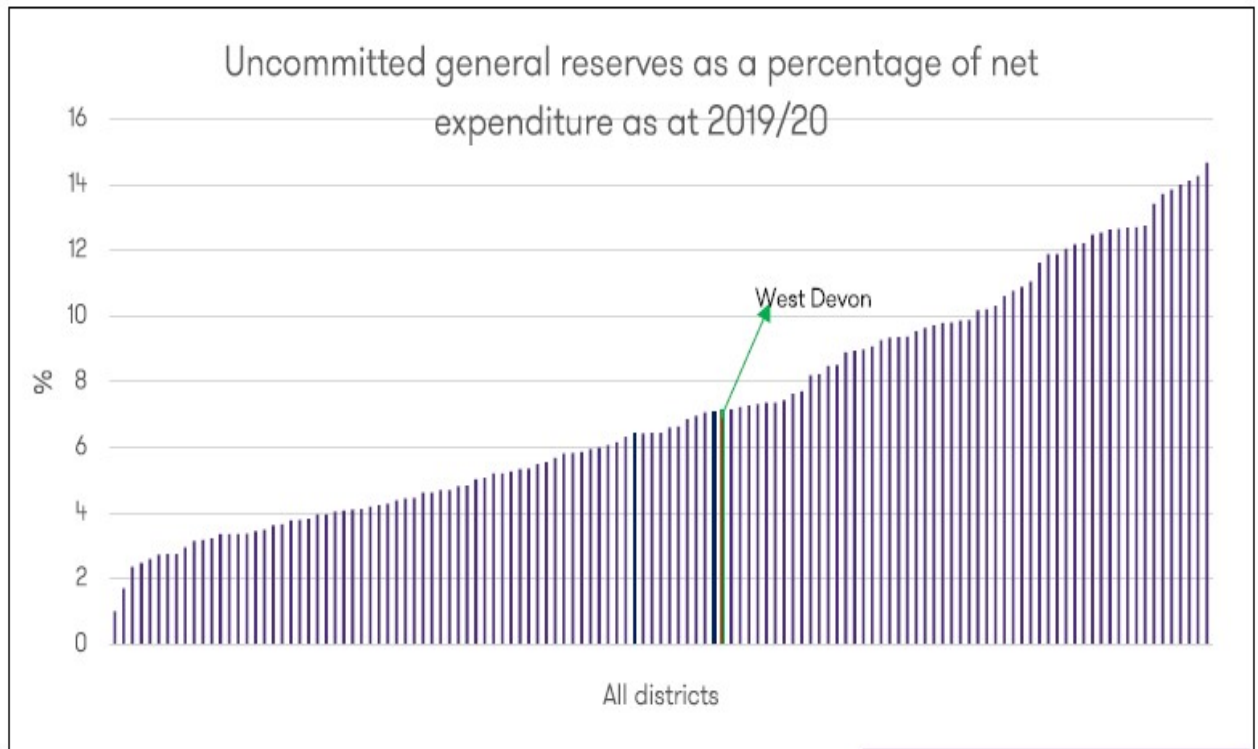
6 CAPITAL PROGRAMME AND PRUDENTIAL BORROWING

- 6.1 The Capital Programme is set by the Council and may be funded by sale proceeds from the disposal of assets (capital receipts), external grants and contributions, directly from revenue or from borrowing. The Head of Finance invited capital bids from the Extended Leadership Team. The Capital Budget Proposals for 2022/23 are attached in Appendix D.
- 6.2 Capital projects have been assessed on the following criteria:
- Health and Safety compliance
 - Essential to keep operational assets open
 - Fit with the Council's Delivery Plans for 'A Plan for West Devon'
 - To rationalise service delivery or service improvement
 - To generate income, capital value or to reduce revenue costs
- 6.3 The Draft Capital Budget Proposals for 2022/23 total £835,000. The projects are set out in Appendix D alongside the suggested financing proposals of the Capital Programme.
- 6.4 **Investment Property Strategy** – The Council has agreed an Investment Property strategy. To date, Investment Properties have a value of £19.83 million in aggregate as at 31.3.2021.
- 6.5 Purchases made within the strategy are capital expenditure. An income projection of £300,000 from the net ancillary income from investments in Investment property has been included within the 2021/22 Base Budget.
- 6.6 The Council's Asset Base is £46 million at 31 March 2021. The Council will continually review and challenge its asset base in order to deliver the optimum value for money from the Council's Assets.
- ## **7 Earmarked and Unearmarked Reserves Policy**
- 7.1 Unearmarked Reserves have increased by £75,000 in 2020/21 and total £1.294 million at 31 March 2021.

- 7.2 Earmarked Reserves have increased by £3.957 million in 2020/21 and total £8.941 million at 31 March 2021. This is mainly due to the new Earmarked Reserve set up in 2020/21 to hold the S31 Business Rates compensation grants (£2.609m) which will be released to the Collection Fund to smooth the impact of the Business Rates deficit over the next 3 years. Therefore this is not money which is available for the Council to spend. A schedule of Earmarked Reserves is attached at Appendix C.
- 7.3 Reserve levels will be kept under constant review and will be reviewed throughout the budget setting process to consider commitments against Earmarked Reserves (set out in Appendix C), their unallocated balance and the contributions to/from Earmarked Reserves for 2022/23 (set out in Appendix A).
- 7.4 At the Audit Committee meeting on 2nd November 2021, Grant Thornton presented their Annual Audit report for 2020/21. As part of their annual audit, Grant Thornton have benchmarked the Council's total reserves against all other District Councils, based on the 2019/20 Outturn data. These charts demonstrate that the Council is at the lower end of District Councils, which may be expected given the relative size of the Council.



- 7.5 At Council on 16.2.21, Members have set a minimum balance for Unearmarked Reserves of £900,000, based on a risk assessment basis and a sensitivity analysis. The current level of £1.294m is still above the minimum level set of £900,000. Grant Thornton also benchmarked the level of the Council's Unearmarked Reserves against all other District Councils. West Devon is in line with the midpoint as shown below.



- 7.6 Legislation does not prescribe how much the minimum level of reserves should be. The Section 151 Officer is tasked with recommending the minimum level of reserves required as part of the budget setting process having regard to elements of risk in the Council's finances. This was recommended at £900,000 being the minimum level. Section 25 of the Local Government Act 2003 requires the S151 Officer to report on the adequacy of the Council's financial resources on an annual basis. The latest risk assessment and sensitivity analysis on the level of reserves will form part of the report to the Hub Committee on 1st February 2022.
- 7.7 The recommendation of the s151 Officer is for the Council to continue to have a minimum level of unearmarked reserves of £900,000 (as set out in the Medium Term Financial Strategy in September 2021), but to have an operating level of a minimum of £1.25million for unearmarked reserves. The Council should be operating at a level of £0.35m above the minimum level on a day to day basis.
- 7.8 The Council's latest revenue budget monitoring report for Month 7 (end of October) shows a predicted deficit of £33,000 for the 2021/22 year. This would be deducted from Unearmarked Reserves as per standard accounting practice. The predicted year end balance of Unearmarked Reserves at 31.3.22 is therefore £1.261m.

8 FINANCIAL SUSTAINABILITY AND TIMESCALES

- 8.1 The local government finance settlement for 2022/23 is essentially a 'one year roll-over' budget for just one year, with a great deal of financial uncertainty to come in future years with funding reforms. The Government is committed to updating the needs and resources that the finance settlement is based on, which means an individual Council's share of the 'cake' (in terms of funding) will be updated and there will be winners and losers in any new funding reform. Below is the statement from the Government announced on 16th December:

'Government is committed to ensuring that funding allocations for councils are based on an up-to-date assessment of their needs and resources. The data used to assess this has not been updated in a number of years, dating from 2013-14 to a large degree, and even as far back as 2000. Over the coming months, we will work closely with the sector and other stakeholders to update this and to look at the challenges and opportunities facing the sector before consulting on any potential changes.'

- 8.2 The Council will continue to assess various options for closing the budget gap for 2023/24 onwards, and in the longer term, to achieve long term financial sustainability and further reports will be presented to Members.
- 8.3 Making the best use of our resources and setting a balanced budget annually is within the 'Delivering Quality Services' Delivery Plan of the Council's long term strategic vision, 'A Plan for West Devon'.

9 NEXT STEPS AND PROPOSED WAY FORWARD

- 9.1 The Medium Term Financial Strategy (Hub Committee 21st September 2021) is the starting point for developing a meaningful three year strategy that sets out the strategic intention for different strands of funding available to the Council.
- 9.2 Officers will continue to work with the Hub Committee and the results of this will be incorporated into future Budget reports. An all Member Budget Workshop took place on Tuesday 16th November. For Members' information, a 'Glossary of Terms' used in Local Government Budgeting is attached at Appendix E.

9.3 The table below shows the budget timetable for the budget meetings for the 2022/23 Budget.

18 January 2022	Overview & Scrutiny Committee - To consider draft proposals for the Revenue and Capital Budget for 2022/23.
1 February 2022	Hub Committee – To recommend Final Budget Proposals to Council for 2022/23
10th February 2022 (9am)	Date which Council Procedure Rule 16 applies
15th February 2022	Full Council – To approve Final Budget Proposals for 2022/23 and set the WDBC share of the Council Tax
22 February 2022	Council Tax Resolution Panel – to agree the Council Tax Resolution for 2022/23 (This is WDBC share plus all other precepting authorities share).

Note 1- Council Procedure Rule 16 states that ‘Where a member intends to move a motion or amendment in relation to the Budget, the text of that motion or amendment must be put in writing and submitted to the Head of Paid Service by 9am on the third working day before the meeting, in order that officers may have sufficient time to consider and advise the Council of the financial implications of any such motion or amendment’. As per the timetable above, this would need to be submitted by 9am on Thursday 10th February 2022.

10. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		<p>The Hub Committee is responsible for recommending to Council the budgetary framework. It is the role of the Overview and Scrutiny Committee to scrutinise the Budget proposals being proposed by the Council on an annual basis. In accordance with the Financial Procedure Rules, Council must decide the general level of Reserves and the use of Earmarked Reserves.</p> <p>The preparation of the Budget report is evidence of whether the Council has considered and taken into account all relevant information and proper advice when determining its financial arrangements in accordance with statutory requirements, and in particular, that it will set a lawful budget.</p>
Financial implications to include reference to value for money		<p>The report sets out proposals for the Council to achieve a balanced budget for 2022/23, as shown in Appendix B. The Council is currently forecasting a £450,496 budget gap by the following year, 2023/24. The cumulative aggregated Budget Gap by 2024/25 is £0.97million, if no action has been taken in each individual year to close the budget gap annually</p> <p>As part of Grant Thornton’s external audit of the Statement of Accounts for 2020/2021, they have concluded that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.</p>
Risk		<p>Each of the budget options taken forward by Members will consider the risks of the option.</p>
Supporting Corporate Strategy		<p>The cost pressures identified in the ‘A Plan for West Devon’ report (Council 28 September 2021) are £122,000 for 2022/23 and £168,000 for 2023/24. This has been built into the cost pressures in this budget report (Appendix A).</p>

Consultation and Engagement Strategy		External consultation on the Council's Budget Proposals will be undertaken prior to the Budget being agreed by Council in February 2022. The Budget supports all of the Thematic Delivery Plans within the Council's strategic vision, 'A Plan for West Devon'. There was a public consultation on the Plan during the Summer.
Climate Change - Carbon / Biodiversity Impact		A report was presented to Council on 8 th December 2020 'Climate Change and Biodiversity Strategy and Action Plan update'. In March 2021, Council approved to set up an Earmarked Reserve for £200,000 for the Recovery Plan and Corporate Strategy. Further detail is set out in the Council's 'A Plan for West Devon' strategic vision.
Comprehensive Impact Assessment Implications		
Equality and Diversity		Equality Impact Assessments are completed for the budget proposals.
Safeguarding		None directly arising from this report.
Community Safety, Crime and Disorder		None directly arising from this report.
Health, Safety and Wellbeing		None directly arising from this report.
Other implications		None directly arising from this report.

Supporting Information

Appendices:

- Appendix A – Budget pressures and savings
- Appendix B – Modelling of the Budget Position
- Appendix C - Schedule of Earmarked Reserves
- Appendix D – Capital Programme Proposals for 2022/23
- Appendix E – Glossary of Terms in Local Government Finance

Background Papers:

Members' Budget Workshop presentation slides – dated Tuesday 16th November 2021

Approval and clearance of report

Process checklist	Completed
Portfolio Holder briefed/sign off	Yes
SLT Rep briefed/sign off	Yes
Relevant Heads of Practice sign off (draft)	Yes
Data protection issues considered	Yes
Accessibility checked	Yes

WEST DEVON BOROUGH COUNCIL

BUDGET PRESSURES

	BASE 2021/22 £	Yr 1 2022/23 £	Yr 2 2023/24 £	Yr 3 2024/25 £
Waste collection, recycling and cleansing contract (estimate)	80,000	80,000	80,000	80,000
Triennial Pension revaluation (increase in Pension Employer primary rate contributions)	0	0	75,000	0
Inflation on goods and services	70,000	70,000	70,000	70,000
Increase in salaries - increments and pay and grading	40,000	50,000	50,000	50,000
Salaries - provision for pay award at 2% (£90,000) from 2022/23 onwards, total pay of £4.5m	79,000	90,000	90,000	90,000
Increase the staffing budget for four planning specialists and two legal specialists (Planning Improvement Plan) Posts are shared with South Hams District Council, to be financed by extra planning income (Hub Committee 2 November 2021)	0	71,000	0	0
A Plan for West Devon - Council 28.9.21 -£122,000 cost pressure for 22/23 and £168,000 for 2023/24	0	122,000	46,000	(168,000)
Reduction in Housing Benefit administration subsidy	10,000	10,000	10,000	10,000
National Insurance and National Living Wage (social care levy of 1.25% and NLW increases)	20,000	60,000	60,000	60,000
IT Support contracts - increased number of users on the network, increase in remote working, Disability Access legislation and above inflationary increases on IT support contracts	0	30,000	0	0
Rough sleeper outreach worker (WDBC share of the cost is 40%), to be funded from Government Homelessness grant		16,000		
Reduction in treasury management income	0	80,000	0	0
Community composting groups	0	10,000	0	0
SLT/ELT Restructure - redundancy/pension strain costs	0	0	(25,000)	0
Housing Benefit overpayment recoveries	135,000	0	0	0
TOTAL IDENTIFIED BUDGET PRESSURES	434,000	689,000	456,000	192,000

WEST DEVON BOROUGH COUNCIL

**Contribution to Earmarked Reserves
(This line shows the annual contributions into the Reserve)**

	BASE 2021/22 £	Yr 1 2022/23 £	Yr 2 2023/24 £	Yr 3 2024/25 £
Contribution to IT Development Reserve (£50K per annum)	25,000	50,000	50,000	50,000
Contribution to Planning Reserve (£25K per annum)	0	25,000	25,000	25,000
Contribution to Elections Reserve (20K per annum)	0	20,000	20,000	20,000
Contribution from Business Rates Retention Reserve to smooth the volatility in business rates income from the baseline reset		(75,000)	(75,000)	(75,000)
Contribution from the Flexible Homeless Government Grant for three housing posts (wdbc share of costs) and the rough sleeper outreach post	(32,500)	(48,500)	(32,500)	(32,500)
Contribution to Vehicles Replacement Reserve (£50K per annum) - Minute CM42	50,000	50,000	50,000	50,000
Contribution to Joint Local Plan Earmarked Reserve	0	25,000	25,000	25,000
Contribution to Financial Stability Earmarked Reserve (one-off in 2022-23)		162,850		
Total Contribution to Earmarked Reserves	42,500	209,350	62,500	62,500

SAVINGS AND INCOME GENERATION IDENTIFIED

	BASE 2021/22 £	Yr 1 2022/23 £	Yr 2 2023/24 £	Yr 3 2024/25 £
Income from Investment properties (£300,000 is in the Base Budget for 2021/22)	20,000	0	0	0
Re-procurement of contracts (e.g. savings from Leisure contract)	117,000	0	TBA	TBA
IT FIT Project - software savings	0	70,000	10,000	0
Efficiencies gained from IT and digital communications	0	20,000	100,000	
Extra recycling income	0	60,000	0	0
Extra planning income (to fund four planning specialists and two legal specialists) - Planning Improvement plan - Hub Committee 2 November 2021	0	71,000	0	0
Income from three weekly trials (Hub Committee 15th September 2020)	50,000	(50,000)	0	0
Increase in Garden Waste income	40,000	0	0	0
Reduction in Pension Employer secondary rate contributions (due to a reduction in the actuarial deficit at 31.3.2019 - based on 17 year deficit recovery period)	80,000	0	0	0
Public Conveniences (£18K business rates savings in 2021/22)	18,000	0	0	0
Kilworthy Park - reduction in operating costs	10,000	0	0	0
Senior Leadership Team - Interim arrangement (£34,000) - Restructure (£60,000) as per July 2019 Council report	0	0	0	0
Additional Employments estates income	0	50,000	0	0
Reduction in ICT contracts	8,000	0	0	0
E-billing for Council Tax	1,200			
TOTAL SAVINGS AND INCOME GENERATION	344,200	221,000	110,000	0

Figures shown in Grey are those which have changed since the Draft Budget Proposals report to the Hub Committee on 7th December 2021

Modelling assumptions: Assumes Council Tax is increased by £5 annually	BASE	Yr 1	Yr 2	Yr 3
Modelling for the financial years 2022/23 onwards	2021/22 £	2022/23	2023/24 £	2024/25 £
Base budget brought forward	7,211,895	7,301,695	7,769,695	7,665,199
Budget pressures (as per Appendix A)	434,000	689,000	456,000	192,000
Predicted one-off shortfall from the 2020-21 Amended Budget in 2020-21				
Savings already identified (as per Appendix A)	(344,200)	(221,000)	(110,000)	0
Projected Net Expenditure:	7,301,695	7,769,695	8,115,695	7,857,199
Funded By:-				
Council Tax income - Modelling a £5 increase in council tax each year (Taxbase 22/23 = 20,687.75 Band D Equivalent properties) - assumes a 1% reduction in council tax collection rates	4,890,473	5,102,220	5,243,403	5,386,086
Collection Fund (Deficit)/Surplus	(9,771)	152,000	150,000	150,000
Localised Business Rates	1,673,223	1,700,000	1,707,000	1,750,000
Business Rates Tariff/Top Up Adjustment amount (Negative Revenue Support Grant change to baseline need assumed to start in 2023/24)	0	0	(182,000)	(227,500)
Business Rates Pooling Gain	40,000	200,000	175,000	150,000
Funding from Rural Services Delivery Grant	487,296	487,296	487,296	497,042
Funding from New Homes Bonus	192,772	150,000	77,000	77,000
Funding from Lower Tier Services Grant	70,202	73,923	70,000	70,000
Funding from New 2022/23 Services Grant	0	113,606	0	0
Less: Contribution to Earmarked Reserves	(42,500)	(209,350)	(62,500)	(62,500)
Total Projected Funding Sources	7,301,695	7,769,695	7,665,199	7,790,128
Budget gap/(surplus) per year (Projected Expenditure line 4 - Projected Funding line 15)	0	0	450,496	67,071
Actual Predicted Cumulative Budget Gap	0	0	450,496	517,567
Aggregated Budget Gap (if no action is taken in each individual year to close the budget gap annually)	0	0	450,496	968,063
Figures shown in Grey are those which have changed since the Draft Budget Proposals report to the Hub Committee on 7th December 2021				
Modelling Assumptions: (Assumes an increase in Band D Equivalent properties of 150 per annum)				
Council Tax (Band D) (an increase of £5 per annum has been modelled)	241.63	246.63	251.63	256.63
Council TaxBase	20,239.51	20,687.75	20,837.75	20,987.75

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RESERVES - PROJECTED BALANCES						APPENDIX C
	Cost Centre	Opening Balance to Reserve 01.04.2021 £000's	Additions to Reserve 2021/22 £000's	Predicted Spend 2021/22 £000's	Projected Balance 31.03.2022 £000's	Comments
EARMARKED RESERVES						
Specific Reserves - General Fund						
2016/17 Budget Surplus Contingency	W0848	86	0	(51)	35	This is the Budget Surplus from 2016/17 which was put into an Earmarked Reserve. Commitments mainly relate to the Capital Programme £50k
Broadband Community Support	W0932	50	50		100	As per the report to the Hub Committee on 1st December 2020, Council approved the creation of a Broadband Community Support Earmarked Reserve, to be financed by transferring £50k from the existing Business Rates Retention Earmarked Reserve in 2020/21 and a further £50k from the Business Rates Discretionary fund (Additional Restrictions Grants, ARG Scheme) in 2021/22
Car Parking Maintenance	W0833	484	0	(158)	326	The commitments include Brook Street Car Park
COVID-19 Losses	W0930	221	281	(190)	312	On 16th February 2021 Council approved to transfer the COVID-19 LA Support Grant (4th tranche of £151K and the bank reconciliation adjustment of £69K) into a COVID Earmarked Reserve. In addition it was recommended to transfer the fifth tranche of COVID funding of £281,404 into this Reserve in 2021/22. HC 28/21 (Month 4 Revenue Budget Monitoring report), Council approved to use funding of £190,000 from the COVID-Losses Earmarked Reserve in 2021/22, to fund COVID-19 expenditure in 2021/22 and the projected net losses on car parking income in 2021/22
Economic Grant Initiatives	W0914	26	0	(4)	22	
Elections	W0903	20	20	0	40	
Environmental Health Initiatives	W0857	20	0	0	20	
Financial Stability	W0859	454	0	0	454	This reserve was created in 2018/19 from the Business Rates Pilot funding. This funding was set aside to assist to smooth out future years' funding variations or reductions, in particular any changes from the Fair Funding Review (this has been delayed and is unlikely to happen until 2023/24).
Flood Works	W0915	15	0	0	15	
Grounds Maintenance	W0901	48	0	(26)	22	The commitment relates to an Electric ride on mower
Homelessness Prevention	W0924	173	0	(35)	138	This reserve has been created following underspends on Homelessness Prevention Costs in previous years. Commitment of £30k re Corporate Strategy, Improving Homes Delivery of needs assessment
ICT Development	W0836	39	25	(41)	23	Commitments mainly relate to the New IT Procurement, Hub Cttee Jan 20 Min Ref HC73 (£65k)
Innovation Fund (Invest to Earn)	W0850	399	0	(267)	132	Commitments mainly relate to the upgrading of Hayedown Depot and £85k in respect of detailed design, specification and tendering of the Brentor Community Housing Scheme (Hub Committee 16/3/21). This reserve originated from New Homes Bonus funding.
Leisure Services	W0855	58		(44)	14	Commitments relate to Capital Programme Funding.
Maintenance Fund (Estates)	W0927	242	0	0	242	
Management, Maintenance & Risk Management	W0861	302	118	0	420	This is a relatively new reserve set up to manage the ongoing maintenance costs of the Council's Investment Property Portfolio. The contributions to the reserve equate to 10% of the rental income on an annual basis.
New Homes Bonus (NHB)	W0804	452	293	(375)	370	The NHB is used to support the funding of the revenue budget and the Capital Programme. The commitments relate to £192,772 to fund the 2021/22 revenue budget and £182,000 to fund the capital programme.
Outdoor Sports & Recreation Grants	W0852	16	0	0	16	
Planning Policy and Major Developments	W0840	147	0	0	147	This reserve is for all planning matters and is also to meet appeal costs.
Recovery Plan and Corporate Strategy	W0864	200	0	(190)	10	Hub Committee 21.9.21 - Use of £190,000 of this Reserve for 'A Plan for West Devon'.
Revenue Grants	W0821	912	0	(33)	879	This reserve comprises of government grants received for specific initiatives or new burdens and are held in the reserve for accounting purposes. The annual contribution of £32,500 from this reserve relates to the funding of three housing posts which were made permanent in the 2020/21 budget process and are funded from the Flexible Homelessness Support Grant.
Salary Savings	W0863	80		(80)	0	This is a new reserve set up to hold salary savings from 2020/21 to be ringfenced to support salary costs in 2021/22. (Hub 16/3/21). Some work had to be postponed in 2020/21 due to the extra work pressures of the pandemic and this work will need to be carried out in 2021/22 to maintain and enhance service delivery and address recommendations from internal audit reports.
Support Services Trading Opportunities	W0856	31	0	(16)	15	This reserve was created from external work carried out in other Councils e.g. HR work with Councils also embarking on a Transformation Programme.
Strategic Change (T18)	W0925	67	0	(10)	57	The commitments are £10,000 for Kilworthy Park marketing.
Vehicle Replacement	W0931	298	50	(251)	97	This is a new reserve set up to fund the Council's vehicle replacement programme (Council 4 Dec 2018). £50K a year is contributed to this reserve.
Waste & Cleansing Options Review	W0853	176	0	(6)	170	
Other Reserves below £15,000 (combined)		56	0	(3)	53	
Sub Total excluding the Business Rates Reserves		5,072	837	(1,780)	4,129	
Business Rates Retention	W0824	1,260		(89)	1,171	This relates to a timing issue on the accounting adjustments required for the localisation of business rates. This reserve also deals with any volatility in Business Rate income e.g. due to appeals. Commitments relate to the Town Centre Support Initiative and £30,000 for the Audio Visual Equipment in the Guildhall, Tavistock (Hub Committee 8/12/20)
S.31 Compensation Grant (Business Rates)	W0866	2,609		(2,523)	86	This is a new reserve set up to hold the business rates S31 grants received in 2020/21 to offset the business rate reliefs given to businesses during lockdown. Under current Collection Fund accounting rules, the S31 grants received in 2020/21 will not be discharged against the Collection Fund deficit until 2021/22 onwards.
TOTAL EARMARKED RESERVES		8,941	837	(4,392)	5,386	
TOTAL UNEARMARKED RESERVES	W0950	1,294	0	(33)	1,261	Note: This Unearmarked Reserve has a minimum balance of £900,000 (set by Members as part of the Budget Process). The projected deficit for 2021/22 of £37,000 (as set out in this report) would be funded from this Unearmarked Reserve.
TOTAL REVENUE RESERVES (EARMARKED AND UNEARMARKED RESERVES)		10,235	837	(4,425)	6,647	

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Appendix D

Proposed Capital Projects 2022/23					
Priority Criteria					
Statutory Obligations	1	Compliance, H&S, DDA			
	2	Essential to keep Operational Assets open			
Strategic Plan	3	Fit with the Council's Delivery Plans for 'A Plan for West Devon'			
Good Asset Management	4	Rationalise service delivery or service improvement			
	5	Generate income, capital value or reduce revenue costs			
Service	Site	Project	Lead officer	Proposed 2022/23 £'000	Priority code / notes
Place Making	Community Project Grants		RS	30	1,3,4
Affordable Housing			AR	50	3,4,5
Commercial Services		Waste Fleet Replacement	SM	50	1,2,3,4
IT		New IT equipment for the Council Chamber	NH	70	2, 3, 4
IT	IT Server Room	Hardware to upgrade the Council's Disaster Recovery capability (This cost is shared with SHDC - £55K is WDBC's 50% share)	MW	55	1,2,3,4
Public Sector Renewals (inc Disabled Facility Grants)			IL	580	1, 3
Totals				835	

TO BE FINANCED BY:-		
New Homes Bonus funding (from the 2022/23 allocation) - to fund community project grants	30	
Revenue Grants Earmarked Reserve (Homelessness Revenue Grant)	50	
Revenue contribution from the Vehicles and Plant Earmarked Reserve (see Appendix A)	50	
Revenue Grants Earmarked Reserve (New Burdens funding for the administration of the Covid Business Grants)	125	
Better Care funding (Government grant scheme)	580	
Total financing for the Capital Programme	835	

Glossary of terms – Local Government Budgeting

Balances - the cash which the authority uses in the normal course of its business to aid cash management and meet contingencies not otherwise provided for. These are also known as Reserves.

Base Budget - the budget from the previous year is taken forward to create the initial budget for the next year before inflation and other adjustments such as budget pressures and savings are added/deducted.

Billing Authorities - the tier of local authority who are responsible for the billing and collection of 'Council Tax' and 'Business Rates' in its local area. In two-tier areas this is the District Council. West Devon Borough Council is a Billing Authority.

Budget - The Council's aims and policies set out in financial terms, against which performance is measured. Both capital and revenue budgets are prepared each financial year.

Budget Gap - where the estimated expenditure is higher than the estimated income in a budget, there is said to be a 'budget gap'. A **Cumulative Budget Gap** assumes annual new budget gaps have not been addressed and is used purely for modelling the overall budget position.

Business Rates – National Non-Domestic Rates ('NNDR') – the tax raised on non-domestic properties, based each year on a 'Business Rates Multiplier' applied to an assessment of the value of the property. This is the means by which local businesses contribute to the cost of local services. The level of business rates is set by the Government. Business rates are collected by District Councils (such as WDBC) and a proportion is paid over to Central Government, with the remainder retained locally and shared between the District Councils and the County Council. WDBC is also part of a Business Rates pool so business rates are pooled with all Devon Councils.

Business Rates Baseline Funding Level – the amount of 'Business Rates' income the Government believes a local authority needs to deliver local services. This is the Council's share of the 'Business Rates' income.

Business Rates Reset – this is the mechanism used by Government to redistribute the 'Business Rates' growth retained by some councils back into the Business Rates system. This could have a significant impact on the business rates retained by the District Council. The Business Rates Reset has been delayed twice and the current budget modelling has assumed that it will be delayed until at least 2023/24.

Business Rates Retention - the system under which the Council is able to keep a proportion of the 'Business Rates' raised in any year in excess of a baseline measure.

Business Rates Tariff - a local authority must pay a levy (tariff) if its individual 'Business Rates Baseline' is greater than its baseline funding level. Conversely a local authority will receive a **Business Rates Top-Up** if its baseline funding level is greater than its 'Business Rates Baseline'. District Councils such as WDBC are normally 'Tariff Authorities' and County Councils such as DCC are 'Top-Up' Authorities.

Business Rates Multiplier - the annual amount established by central government used in the calculation of the 'Business Rates' bill. This amount is multiplied by the businesses rateable value to derive the size of the 'Business Rates' bill for the year. For 2022-23 the small business multiplier will remain at 49.9 pence.

Business Rates Pool - an agreement between neighbouring councils to add together to combine their 'Business Rates' activities in a pool. This is designed to maximise the ability for councils to retain 'Business Rates' locally. West Devon Borough Council is part of the Devon Business Rates Pool. It is recommended that WDBC continues to be part of the Devonwide Business Rates Pool for 2022/23. A 'Business Rates' pooling gain of £200,000 has been modelled for 2022/23 with lower gains predicted for 2023/24 onwards when the 'Business Rates Reset' is scheduled to happen.

Capital Expenditure - expenditure either on the acquisition of a fixed asset (e.g. land, buildings, vehicles), or expenditure which adds to and not merely maintains the value of an existing fixed asset.

Capital Financing - the Council's arrangement for meeting the cost of 'Capital Expenditure' covering grants, 'Capital Receipts' and charges to revenue over the period that will benefit from the expenditure. Capital Financing includes borrowing to fund the Capital Programme, made up of principal repayments and interest (similar to a mortgage). Borrowing can only be used to fund capital expenditure, borrowing cannot fund revenue expenditure.

Capital Programme – this provides details on the planned expenditure on capital projects over a period of years, and the resources available to fund those schemes.

Capital Receipts - the proceeds of sale from the disposal of assets such as land and buildings. They can be used to finance new capital expenditure, but not revenue.

Capping - Government power to limit an authority's budget requirement and hence the 'Council Tax' that it sets. This terminology has been superseded by council tax referendum criteria.

CIPFA - The Chartered Institute of Public Finance and Accountancy - the accountancy body primarily concerned with public services that issues guidance on accounts preparation for local authorities.

Collection Fund - a separate, statutory, account maintained by 'Billing Authorities' such as WDBC into which 'Council Tax' receipts are paid, and from which 'Precepting Authorities' are paid. A Collection Fund is also maintained for the collection and re-distribution of 'Business Rates'.

Core Spending Power – this is the term the Government use to say how much money Councils have to run their services. It's a headline figure used by the Government to represent the key revenue resources available to local authorities, including an estimate of actual and potential 'Council Tax'.

Council Tax - a local tax on domestic properties set by local authorities and based on the value of the property within eight bands, A to H. The 'Council Tax' value of each band is expressed as a proportion of band D.

Council Tax Base - the number of properties in a local authority area from which it is estimated 'Council Tax' will be collected, expressed as the number of equivalent band D properties using pre-set ratios. The tax base can increased by building new homes as well as by increasing the 'Council Tax' Band D amount itself.

Council Tax/Collection Fund Surplus or Deficit - a surplus/deficit arising from either more or less 'Council Tax' being collected than expected by District Councils. This would be as a consequence of variations in collection rate or variations to the estimated increase in the number of properties. The annual surplus/deficit is distributed on an annual basis to 'Precepting Authorities'.

Council Tax Requirement - the amount of funding required to be raised from 'Council Tax' to meet the expenditure plans of the authority after taking into account all other funding sources such as business rates income.

Earmarked Reserves – these are amounts of money which have been set aside for a specific purpose to meet future spending plans or contingencies.

Fees and Charges - income raised by charging users of services directly for services used e.g. car parking income, planning income.

General Fund the council's main revenue account which includes day to day income and expenditure on the provision of services.

General Fund Balance – also known as '**Unearmarked Reserves**' - the surplus or deficit on the 'General Fund' at a particular date arising from all transactions up to that date, showing the ability of the Council to fund future revenue expenditure (surplus) or the requirement to make savings or raise additional income (deficit). At Council on 16 February 2021, Members have set a minimum balance for Unearmarked Reserves of £900,000, based on a risk assessment basis and a sensitivity analysis.

Gross Expenditure - the total cost of providing services before the deduction of government grants or other income.

Local Government Finance Settlement - the annual announcement by Government of the amount of grant funding to be provided for the forthcoming year.

Lower Tier Authorities - Shire District Councils in a two-tier area, who act as 'Billing Authorities' such as West Devon Borough Council.

Lower Tier Services Grant - this is a new grant introduced in 2021/22 provided specifically to lower tier authorities. This grant will continue for 2022/23.

Medium Term Financial Strategy (MTFS) - this sets out the budget strategy for the Council for the next three years. The Council has chosen a three year timeframe for its MTFS, as this dovetails to the timescales of the Corporate Strategy, 'A Plan for West Devon'. The Council will then be able to rely on this to inform future decisions.

Negative RSG – Negative Revenue Support Grant – This is effectively negative government grant, the Council's further predicted funding cuts. The Council would have to make a payment to Government of some of its business rates income, hence the term 'negative'. The latest budget modelling assumes negative RSG of £182,000 in 2023/24 and £227,500 in 2024/25. Some of the negative RSG could be offset by growth. It has been confirmed in the finance settlement that negative RSG will not be implemented in 2022/23.

Net Expenditure - the cost of providing a service after the deduction of specific government grants and other sources of income but excluding the use of reserves.

NNDR – National Non-Domestic Rates – see **Business Rates**

New Homes Bonus - The New Homes Bonus (NHB) scheme was introduced in 2011 to provide an incentive for local authorities to encourage housing growth in their areas. The aim of the NHB was to provide a financial incentive to reward and encourage local authorities to help facilitate housing growth. The Council receives 80% of the average national council tax (£1,898) for each property growth over the baseline, this equates to £1,519 per property. The NHB is being phased-out. Although the NHB scheme is due to be replaced, it is assumed in the latest budget modelling that a successor scheme will be implemented that will also be based on housing growth.

Precept – the levy made by 'Precepting Authorities' including the County Council on 'Billing Authorities' (West Devon Borough Council), requiring it to collect the required income from Council Tax payers on their behalf.

Precepting Authorities – these bodies do not collect 'Council Tax' directly but instruct 'Billing Authorities' such as WDBC to do it on their behalf. For West Devon Borough the Major Precepting Authorities for 'Council Tax' are Devon County Council, Devon & Cornwall Police & Crime Commissioner and Devon & Somerset Fire Authority. The Local Precepting Authorities are Town and Parish Councils.

Prudential Code - this is a code of practice agreed between Government and CIPFA that regulates local council capital spending and financing. The Code allows local authorities to set their own borrowing limits based upon affordability, sustainability and prudence.

PWLB - Public Works Loans Board - a statutory body operating within the United Kingdom Debt Management Office, which is an Executive Agency of HM Treasury. Its function is to lend money from the National Loans Fund to local authorities and other prescribed bodies, and to collect the repayments.

Reserves - amounts of money put aside to meet certain categories of expenditure. Reserves can be 'Earmarked' and 'Unearmarked'.

Revenue Expenditure - comprises the day to day costs associated with running the Council's services and financing the Council's outstanding debt. The costs such as staff salaries, contract expenditure and general running expenses (heat, light and utilities) are financed from income.

Revenue Support Grant (RSG) - the main grant paid to councils by the Government. The amount of this grant has been severely reduced since 2010 and the Council no longer receives any RSG. Between 2009/10 and 2020/21, the Council's Core Government funding has reduced by £3 million. The Council now receives no main Government Grant (Revenue Support Grant) – see **Negative Revenue Support Grant**.

Rural Services Delivery Grant - This is Government grant introduced to recognise the additional cost of delivering services in rural areas. Rural Services Delivery Grant will continue for 2022/23 onwards at previous levels (£85m nationally – West Devon Borough Council share of £487,296)

Settlement Funding Assessment (SFA) - this is essentially the 'Business Rates Baseline' and is the amount of money the Council retains from its share of the 'Business Rates' income. In the 'Medium Term Financial Strategy' it has been assumed that the Settlement Funding Assessment (SFA) will increase in line with inflation.

Section 151 Officer (S151 Officer) – the responsible financial officer. Every council, by law will designate an individual officer as having legal responsibility over providing effective financial management and advice across the Council. The post holder must be a qualified member of one of the main accountancy bodies in the UK. This is currently Lisa Buckle.

Unearmarked Reserves – see **General Fund Balance**

Upper Tier Authorities – in two-tier areas, this is the County Council (This is Devon County Council in the WDBC area).

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Agenda Item 8

Report to: **Overview and Scrutiny Committee**

Date: **18th January 2022**

Title: **Performance Update Report**

Portfolio Area: **Performance**
Portfolio holder: Cllr Chris Edmonds

Wards Affected: **All**

Urgent Decision: **N** Approval and clearance **N**
obtained:

Authors: **Jim Davis** Role: **Customer Improvement Manager**

Contact: Jim.Davis@swdevon.gov.uk

RECOMMENDATIONS

- 1. That the Overview and Scrutiny Committee note the performance figures shown in the Pentana report.**

1. Executive Summary

- 1.1** The purpose of this report is to provide a high level update of performance (October to December 2021) across the Council for Members' scrutiny.
- 1.2** Reporting is being changed to coordinate with the actions and progress against the strategy themes so this light touch report is just to maintain awareness of ongoing performance.
- 1.3** Data will still be collected in Pentana, the Council's performance tool, but as the FIT (future IT) project progresses more data and more timely data will be available through live dashboards. New Covid grants will absorb a lot of resource until the end of the year and delay delivery of the dashboards

- 1.4 Performance has stayed consistent in most areas as the level of additional work caused as a result of the pandemic has started to reduce and backlogs have started to be addressed.
- 1.5 The Contact Centre has seen a small improvement in performance as a direct result of the usual drop in calls over the quarter. Challenges will remain as new grants have been released.

2. Background

- 2.1 Waste figures are always delayed due to slow reporting from third parties such as Devon County Council and FCC. Missed bins have been an issue due to the well-publicised HGV driver shortage but are being brought back into control.
- 2.2 There is still a significant amount of additional process and systems implementation work happening alongside the covid pressures so maintaining performance at the level recorded for the past two years is a testament to the staff commitment and flexibility throughout the pandemic.
- 2.3 The majority of previous grants processing, excluding audit and post-assurance checks, was completed in Q2 so had released more capacity to focus on core services but new grants will absorb significant resource and council capacity over the coming quarter.

3 Outcomes/ outputs

Appendix A contains screen shots of Pentana dashboards showing monthly or quarterly performance levels over previous years.

- 3.1 The Contact Centre has seen a slow increase improvement in performance mainly due to fewer calls, but lower turnover has resulted in more training and upskilling throughout the team. Queuebuster technology has been rolled out to most call queues.
- 3.2 Sickness across the Council has stayed within its low long term range although there is evidence of increased short term sickness specifically due to Covid of around 25-30% on top of normal levels. The agile nature of the workforce has limited its impact.
- 3.3 Web transactions had begun to reduce as the number of additional processes available for customers due to covid had reduced but we expect those levels to rise again as more covid grants are released in the current quarter.
- 3.4 The planning environment is still challenging with 35-40% increase in applications received compared to historic levels. This has a clear effect on due date delivery but performance has been maintained close to target levels.

4 Options available and consideration of risk – future recommendations;

- 4.1 The Adoption of 'A Plan for West Devon' and the supporting thematic delivery plans will be the basis for a new corporate performance management report.

- 4.2 The current data set will still be recorded and will be available online through Pentana at any time.
- 4.3 Screenshots of performance data will still be shared for context.

6 Implications

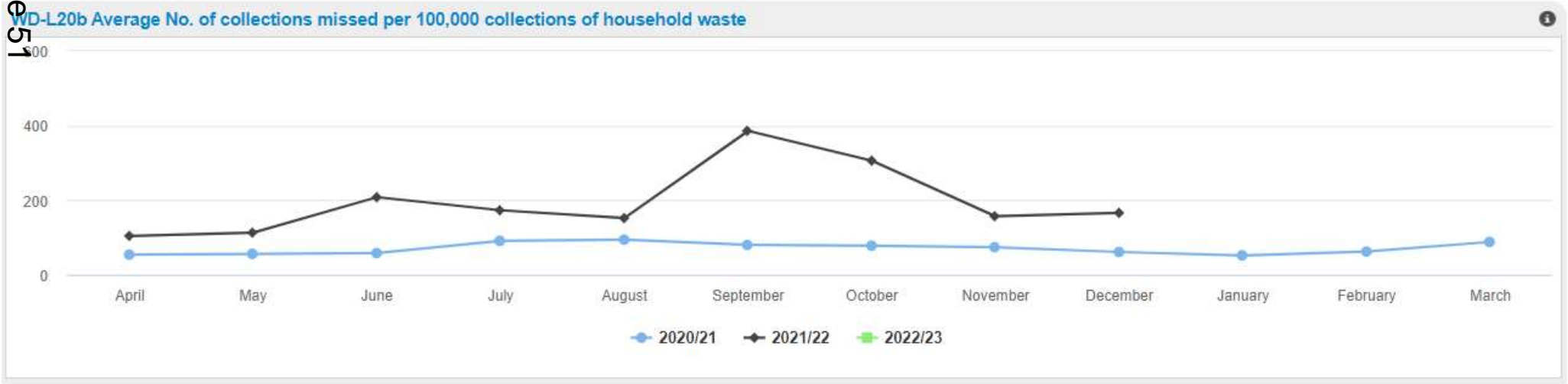
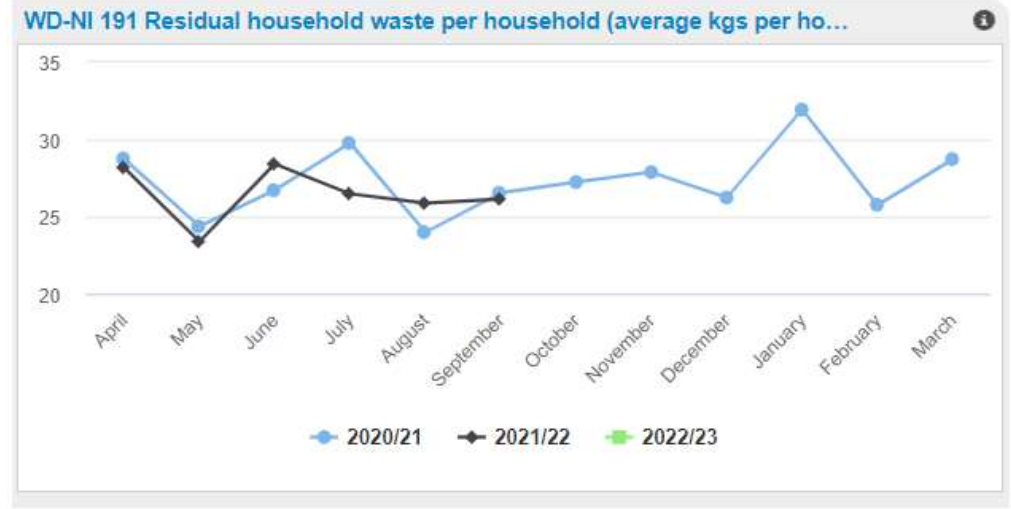
Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	The Overview & Scrutiny Committee is responsible for both an overview of performance and for scrutinising how the Council is performing as an organisation.
Financial	N	There are no direct financial implications of the report or the recommendations, as these are performance related.
Risk	N	
Comprehensive Impact Assessment Implications		
Equality and Diversity	N	
Safeguarding	N	
Community Safety, Crime and Disorder	N	
Health, Safety and Wellbeing	N	
Other implications	N	

Supporting Information

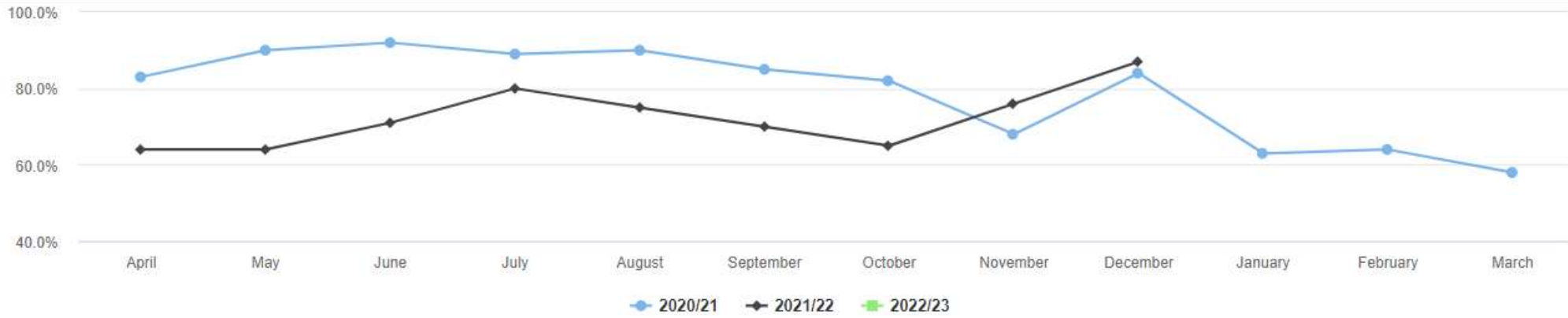
Appendices:

Appendix A – Screenshots of latest data from Pentana

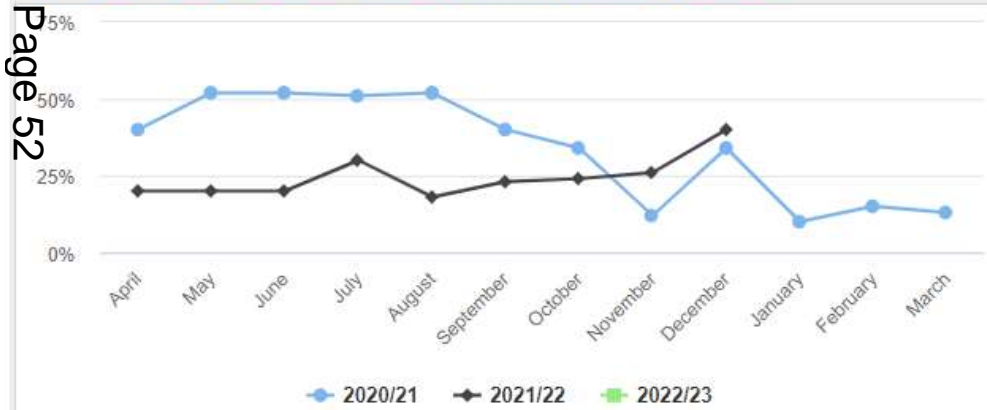
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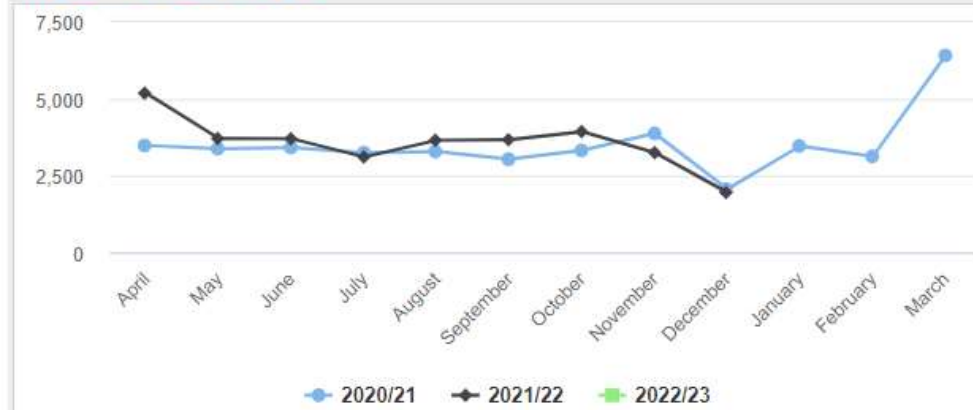
CST2a CST Percentage of telephone calls answered

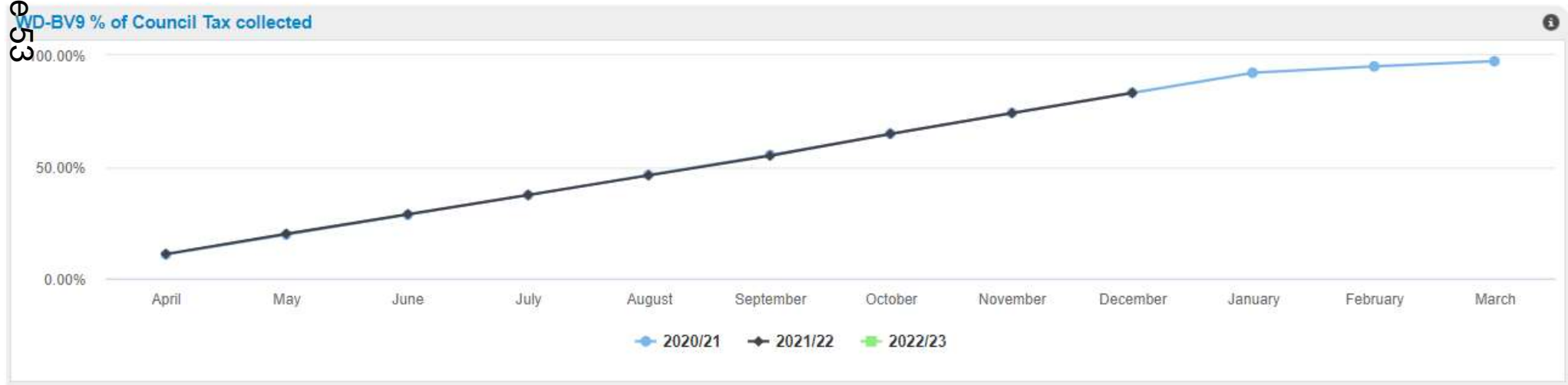
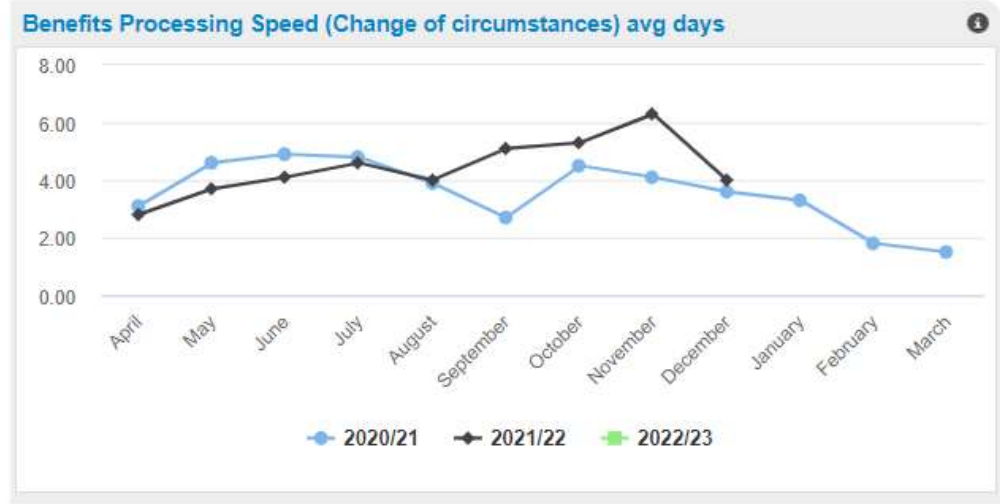
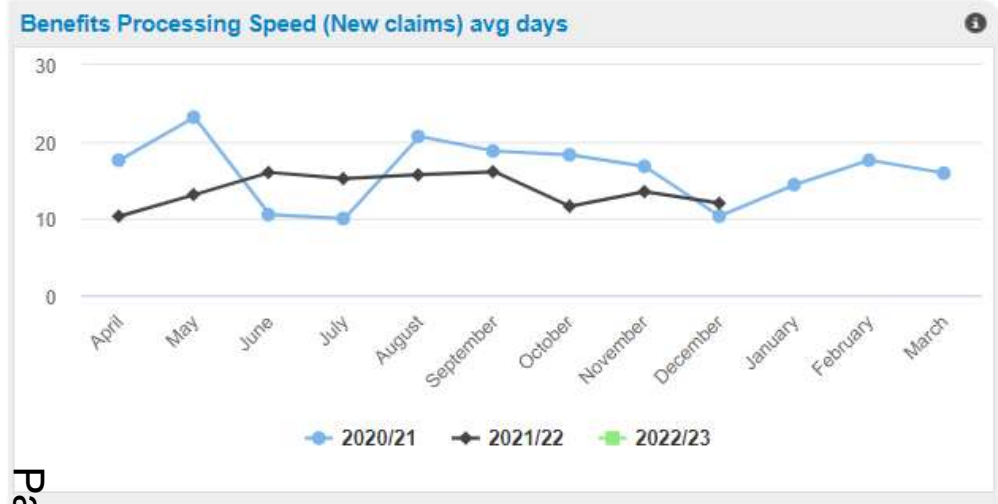


CST1a CST Grade of Service (% of calls answered within 20 seconds)



WD-CST10 Total Calls to WD





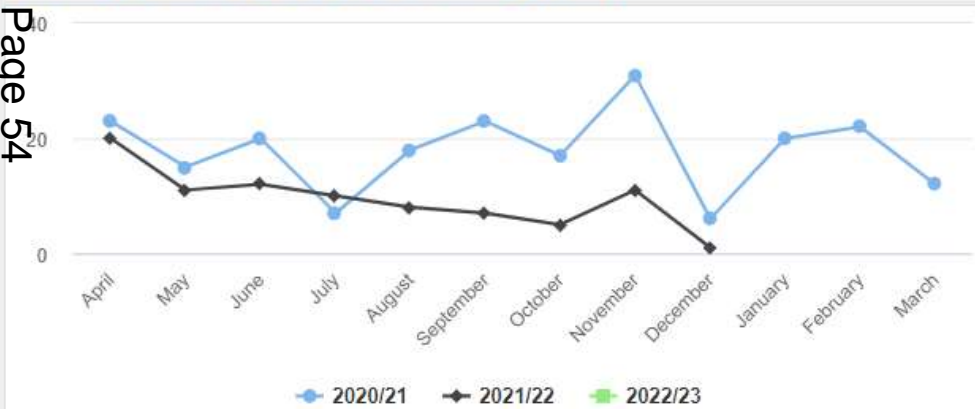
% of customer contact through online interaction



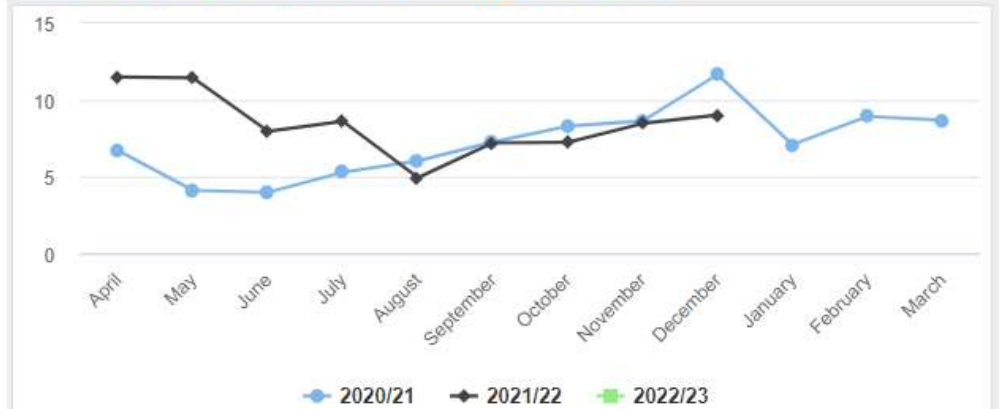
WEB Online submissions - Liberty & W360



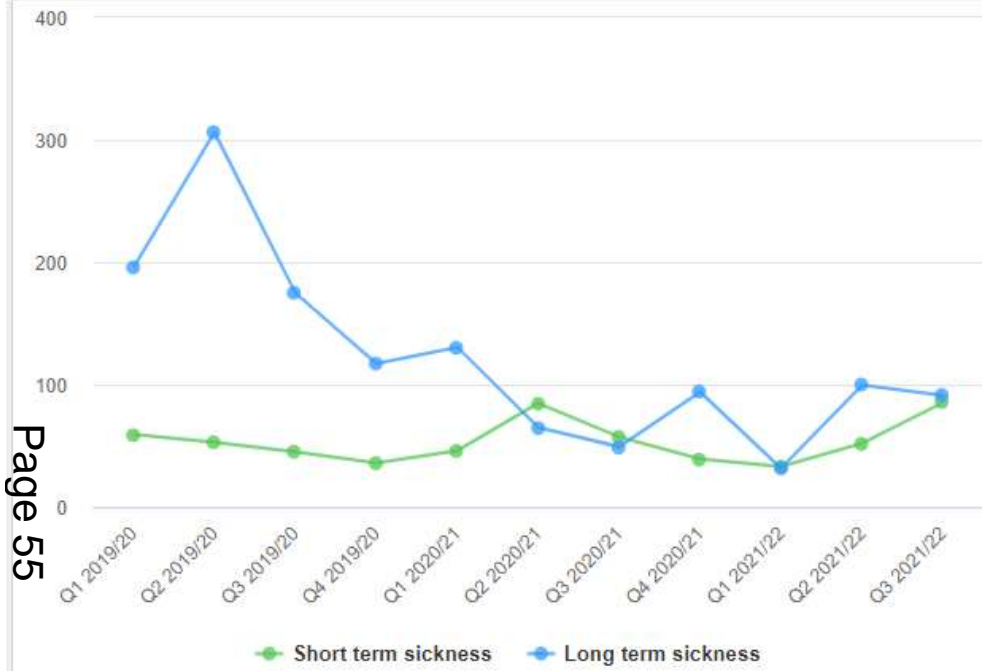
Number of households where homelessness prevented



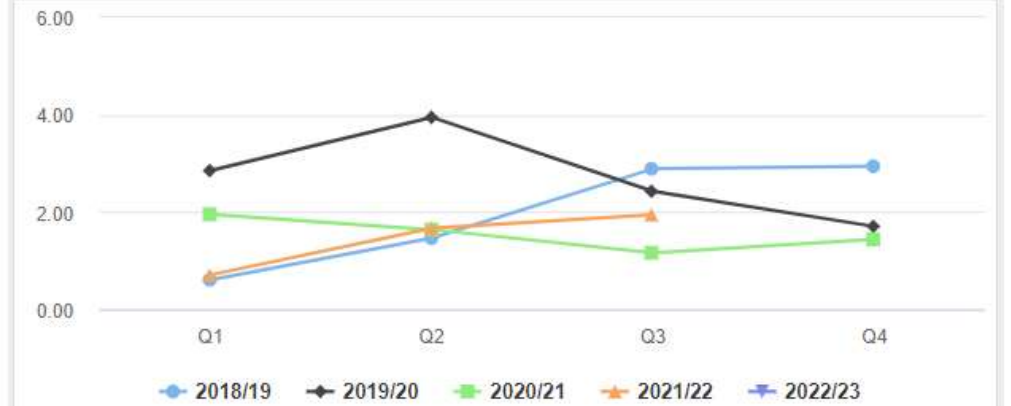
Level of temporary accommodation use (Avg over the month)



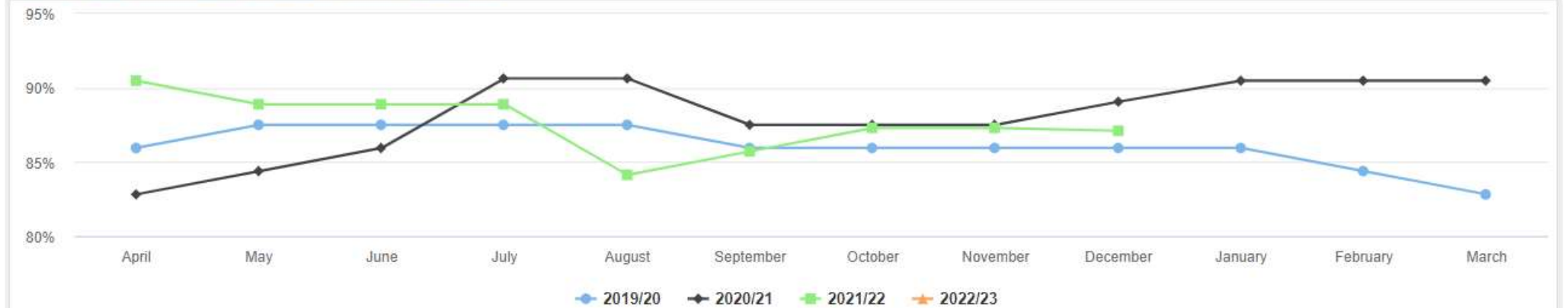
WD Sickness



Working Days Lost Due to Sickness Absence (average days per FTE)



WD-P1 Employment estates occupancy levels (snapshot)



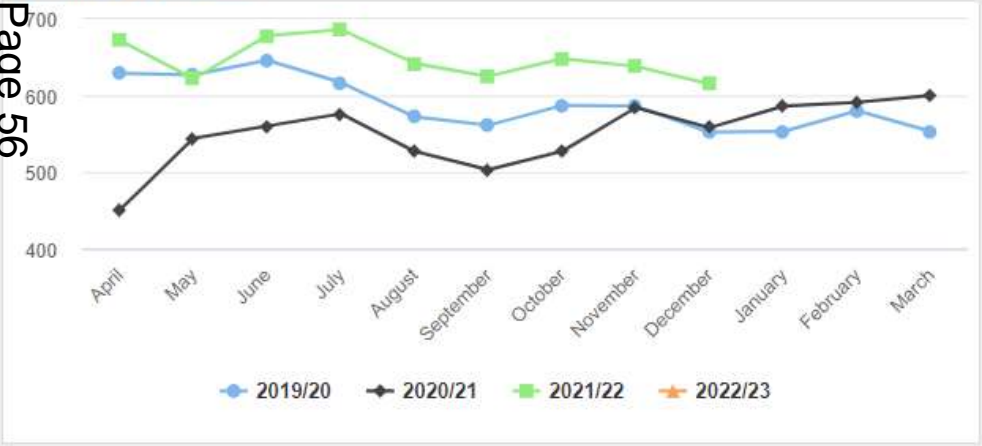
WD-NI 157a Processing of planning applications: Major applications % d...



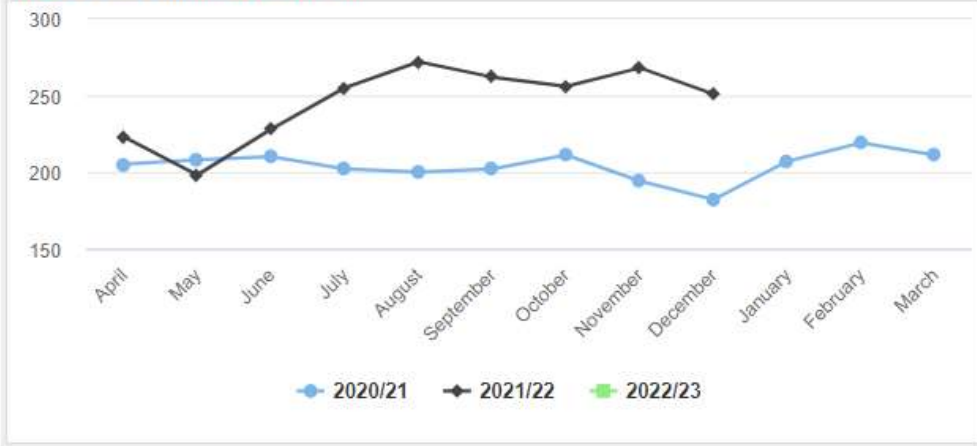
WD-PEC2 Non-Major apps with extensions

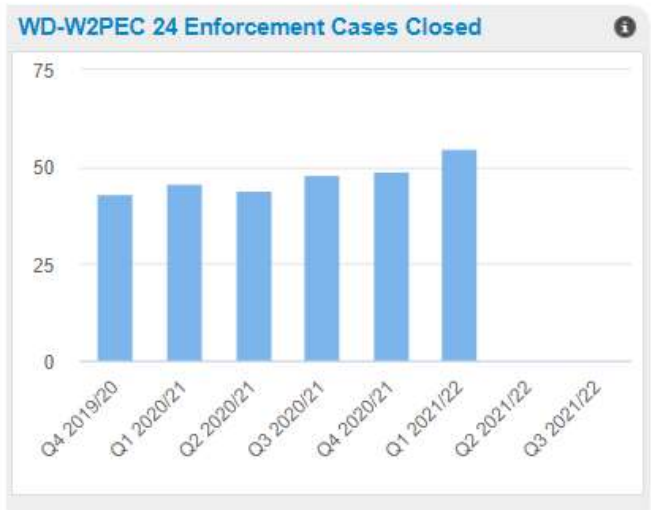
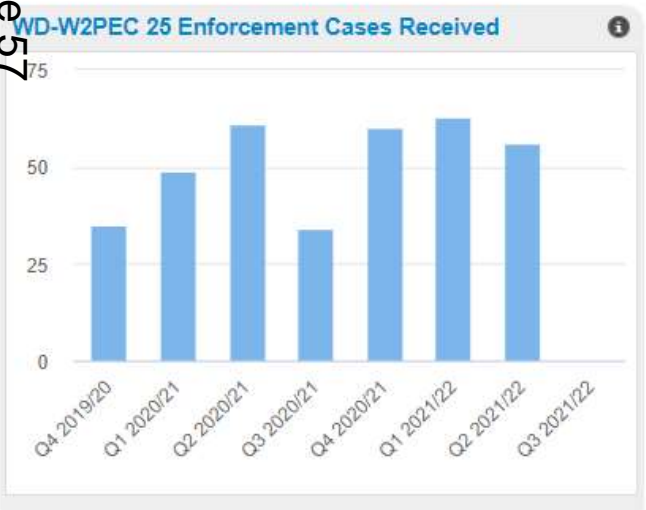
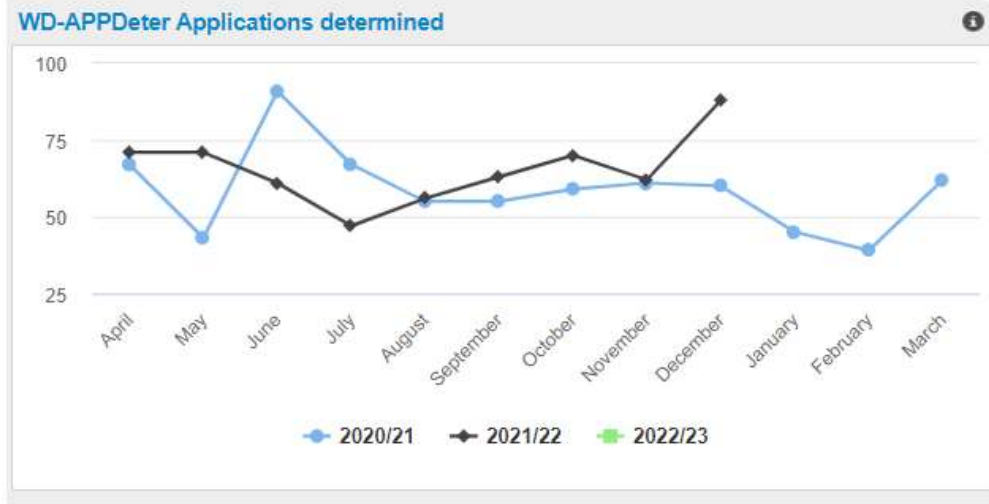


SH Planning Workload



West Devon Planning Workload





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WEST DEVON OVERVIEW AND SCRUTINY COMMITTEE

INITIAL DRAFT ANNUAL WORK PROGRAMME PROPOSALS – 2021/22

Date of Meeting	Report	Lead Officer
15 February 2022	Climate Change and Biodiversity Action Plan: Six-Monthly Update	Drew Powell
	Council Delivery against Corporate Theme: Natural Environment	
	Task and Finish Group Updates (<i>if any</i>)	
	Third Sector Partners – DCC’s Portfolio Holder for Planning tbc	
	Fusion (Leisure) Annual Report	Jon Parkinson
	Council Delivery against Corporate Theme: Community Wellbeing	
	O+S Annual Work Programme (<i>to include preparation for next meeting</i>)	
22 March 2022	Task and Finish Group Updates (<i>if any</i>)	
	Third Sector Partners – Karen Nolan, West Devon Council for Voluntary Service	Neil Hawke
	Council Delivery against Corporate Theme: Economy	
	O+S Annual Work Programme (<i>to include preparation for next meeting</i>)	
26 April 2022	Task and Finish Group Updates (<i>if any</i>)	
	Third Sector Partners – tbc	
	O+S Annual Work Programme (<i>to include preparation for next meeting</i>)	
	Council Delivery against Corporate Theme: Housing	
	Community Broadband – Quarterly Update	Gemma Bristow
	Live West (Housing Provider)	
<i>To be considered for scheduling:</i>	Devon Health and Wellbeing Board	
	Key Strategic Partners: Tamar National Park Authority Reps (invited); Citizens Advice (invited)	
	Police and Crime Commissioner to address concerns over traffic speed in the Borough	P&CC unable to attend

From Hub 5 th oct	Suggestion to invite LEP Renewable Energy represents a big opportunity for the South West region; means of influencing the work of the LEP is a cause of frustration – better to focus efforts on dialogue with Devon CC and Plymouth CC; invite the Chief Exec of the LEP to attend a future O+S Committee meeting?	
ditto	Homes thematic delivery plan of adopted ‘A Plan for West Devon’ already identified as a priority area for review by O+S; 26 th april?	

DRAFT