

Summary of the Members' Budget Workshop – 21 September 2016

A Members' Budget Workshop was held in order to carry out a full review of the Council's Medium Term Financial Strategy (MTFS) and to look at the eight themes within Our Plan. This was to give all Members the opportunity to influence and shape the forthcoming Budget Setting Process for 2017-18. The key points of the Medium Term Financial Strategy were discussed and reviewed. The Member Workshop also looked back on last year's feedback from the Members' Budget Workshop held in 2015.

Themes within 'Our Plan':-

Homes and Communities Themes

On the Homes Theme, Members were asked what they feel are their priority projects and were there any gaps which Members feel we should investigate further. The following were discussed:

- Community Land Trusts/VHI/community led fund
- Self Build/Self finish in terms of serviced plots
- Temporary accommodation – Tiny houses
- Best use of stock
- Shared housing for under 35's – what can we do?
- Communities & Neighbourhood Planning

The Member responses were as follows:

- Best use of housing stock – a good idea and value for money. Downsizing, provide financial incentive and support package.
- Community Land Trusts/VHI
- Shared housing for under 35s. The Council should try and include as part of the affordable housing mix on all allocated sites in the 4 main towns.
- Be firm with developers on what mix of affordable housing the Council wants
- Co-housing for old people as well as young people.
- Totnes NP writing a policy on house boats
- Shipping containers.
- Delivering alternative housing
- Want smaller good quality housing
- VHI schemes
- Exception sites
- Some Members don't support CLTs and self build. Too time consuming. Support VHI's.
- Some Members don't support Tiny Houses. Not a suitable product. Too small. Derogatory.
- Space standards
- Best use of existing stock
- Shared accommodation for under 35s, that is well managed. Use Direct Lets.
- Use cheap Local Authority borrowing powers to build Local Authority owned homes
- Put the homes in the LACC

There is also likely to be further announcements that are due to be introduced through the Housing & Planning Act, current timescales for the implementation of the Act and the full detail behind this is unclear. There were several areas for discussion:

- Starter Homes
- Extension of the Right to Buy – replacement 2:1
- Thresholds
- Welfare Reforms i.e. Pay to Stay

Well-being Theme

Through grant and contract funding, the Council works with a number of partners to discharge both its statutory duties and strategic priorities, which in turn deliver positive health and wellbeing outcomes for residents in the District.

The question was asked of 'Would Members support opportunities to work more closely with the voluntary sector?'

Members were broadly positive about the principle of working with partners in a different way, using agencies who the Council already funds to deliver the first tranche of advice or assistance which may be better trusted from the voluntary sector rather than the Council. Concerns were raised about resilience and capacity and the value for money the Council is able to prove through its partners. Councillors expressed their support for investigating the feasibility of this principle.

Infrastructure and Heritage Theme

The majority of Members were keen on the idea of both charging for duty and introducing planning performance agreements (PPAs). However a smaller number of Members felt that the duty should be free as part of the Council services.

The Key factors were;

Duty

To ensure that where people need to access information about active applications that this is isn't chargeable

Reasonable charge

Ensure service is of value - timely, suitably experienced staff etc.

Consult and advertise changes

PPAs

Ensure that it is simply help through the process

Ensure it is not a twin track process – i.e. those who can afford it get a better/quicker service

In both cases Members agreed that income should be ring fenced to Development Management for the first year and then a decision made based on a business case and future forecasting from then on.

Next steps - in line with the Peer Challenge Action Plan – to review present arrangements and cost out future options.

Resources Theme

Members were in support of increasing Council Tax by the maximum allowable (which is £5 for 2017/18). This measure would increase the base budget for ensuing years and protect the delivery of services and the Council's financial resilience.

Members asked for Officers to undertake a detailed review of Earmarked Reserves and to report back to Members in December as part of the Draft Budget for 2017-18 for Members' consideration. Members also stated that there should be no changes to the Budget once it is set in February 2017 for the 2017-18 financial year.

Use of New Homes Bonus (NHB) funding

Support for an element of NHB to be returned to communities who had had housing growth. It was advised that this was currently applied for by communities through the Council's Communities Reinvestment Fund. There was Member support for both the level of investment in the Communities Reinvestment Fund being both increased and decreased (differing views).

Members felt that Investment in IT was needed and it was discussed that a report would be being presented to Members on the ICT Strategy. The Mobile App was seen as a priority.

Varying views were expressed by Members on investing NHB by putting this funding into the Innovation Fund, homelessness or putting this funding into the Capital Programme.

Members felt there should be no increase in the amount of NHB which is being used to fund the revenue base budget (which is £500,000 for 17/18).

Environment Theme

The Member groups discussed the discretion for fees and charges to be applied in this service area and the impact of this.

There was a clear motivation to continue to improve on recycling performance and to increase income through increased recycling sales. It was also acknowledged that this is currently being affected by changes in national behaviour which the Council needs to take account of.

The following topics were explored:

- Devolution of assets in relation to this portfolio area
- Charges for services – green waste, public toilets
- Frequency of waste and recycling collections and the impact on costs

Members were interested in the changes in waste direction from County level which might influence the Council's own waste direction. Members suggested that a wider look at our waste arrangements through the task and finish group would be of benefit. There was a recognition that there is a tension between the cost of environmental service and the ability to provide Council funded non-statutory services.

Members generally recognised the need for a commercial view but expressed concern about reputational impact as a result. There was discussion around similar activity in other areas and where South Hams sits in line with this.

Economy Theme

Areas the council should consider for income generation / efficiencies:

- Direct delivery of housing on council owned land
- Acquiring land to deliver housing or employment accommodation (without necessitating a Housing Revenue Account)
- Letting housing
- Increasing commercial investments to ensure the right accommodation is available and/or land which can be developed for employment uses (to retain / attract businesses to the area)
- Views were expressed by Members that the Council needs to step in where there is a gap in the market e.g. making sure there are suitable business premises in the area, particularly start-ups, but also sites for expanding businesses
- Green / food waste – charging / service redesign
- Extending commercial waste services, e.g. clinical / offensive waste, trade waste, holiday homes, recycling services
- Consider the market for soft services, e.g. cleaning services - There is a market for boat cleaning in South Hams, are there markets to investigate there, or similar services? The Council would need to be conscious of the impact on small businesses if the Council entered the market.
- Review of the treasury management strategy to increase the return from monies held (to explore opportunities and to look at risk versus returns)
- There should be greater collaboration between public bodies – not just devolution, with a focus of reducing cost and improved service delivery
- Work in partnership with RSLs to invest in property for shared rewards, not just housing, but stock improvement (e.g. investment in renewable energy)
- Green procurement (ICLEI) to drive efficiencies. Need to consider 'Green' solutions and longer term sustainability.

- Greater borrowing at historic low levels to generate long term revenue streams (e.g. property or land investment). Suggestion there is a formal “borrow to earn” initiative. Don’t be afraid to “think big” in terms of borrowing if there is a robust business case to support it and generate profits.
- Review of car parking to increase turnover and usage of car parks, improving local economy and income for the council
- Planning fee related income – increased pre-application advice

Questions raised by Members:

Questions were raised by Members on the following areas:

- What do we charge for? What can be done to increase income? Is it cost effective? Do we have the option not to provide services in some areas?
- Are there any areas which the Council doesn’t charge for, but could? If so, what would be required?
- For the above, would the Local Authority Controlled Company make a difference?

Support for the Economy

- The Council should offer more signposting for economic queries, i.e. support new, existing, fledgling businesses
- Clarity required over whether the Council is seeking to sweat assets for financial benefit or for community benefit – financial principles
- Decision on whether housing or employment units should be restricted when built / let / sold so that it favours locals / specific industry sectors

Lobbying – Members and Political Groups should lobby for a relaxation on powers which stop Councils from making a profit when charging for services.